S11/

دانشجویان مسلمان پیرو خط امام

اسناد لانه جاسوسی

رابطین خوب آمریکا

شماره ۱۷

Wa. Hels. Mk

SECRET

Mr. Thacher and all POL Officers, plus Bio File

September 9, 1967

POL - Martin Herz

"Last Will and Testament" concerning my contacts.

AMIRANI, Ali Asgar. Since his English is non-existent and his French very poor, I have usually had rather rudimentary Farsi conversations with Amirani. I think, however, that he is worth cultivating. He has a pixyish quality, wishing to puncture balloons and draw far-fetched parallels and generally act as a rather gentle gadfly, so one must let him have his say; but when that is done, he will also listen, sometimes to very good effect. He is a nut about gadgets and mechanical contrivances of all kinds, ranging from miniature pocket radios to labor-saving devices. He is not, of course, a courageous man. His typical editorial will criticise the Shah -- for being too kind; or will criticize the police -- for not paying enough attention to traffic conditions; or will proclaim that there is no press freedom -- and then go on to blame the press for not using its possibilities. He is a specialist in the courageous pose without much substance; but he has also been courageous in standing up to the critics of the Status Bill in 1964, for instance, and in lashing out against the Russians when it was unpopular to do so. Probably he was put up to this by the Court.

ANSARI, Abdolreza. I have found him always accessible and willing to discuss, with apparent frankness, also some of the internal workings of the government. When I once asked him if he preferred to meet at some less public place than the Chetnik Restaurant (where we had met before he became Minister of Interior), he said that he is so well known for his pro-American sympathies that he in fact prefers to meet publicly, lest it be thought that he was concealing something. Ansari seems to me genuinely pro-American, making a virtue of what might at some times be considered a handicap. Educated in the US, associated with Point Four, then with Lilienthal and Clapp, he communicates readily with Americans. He is a liberal at heart and said frankly that he would rather not run the elections if they would be fraudulent; and, despite admission of some exceptions, he is proud of having run the 1967 elections honestly. Ansari is a potential Prime Minister. He once mentioned to me that he has an understanding with Jamshid Amuzegar that whichever the two becomes PM, would appoint the other to the second-highest position in the cabinet. There is a long-standing feud between Ansari and Mansur Ruhani. Ansari also despises Khosroveni.

SECRET

AZOD, Abu Nasr. He calls himself "Prince" and is a Qajar. Very rich, quite snobbish, stays out of politics -- but has a rich political past. I have written an extensive memorandum on his Communist record for our Visa Section, based on documentary material and a number of conversations with him. The conclusion was that he should qualify for "defector" status, even though he was thrown out of the Tudeh Party rather than quitting it.

BAHADORI, Karim Pasha. Cyrus Ghani delights in telling the story that when his young friend Bahadori obtained a cabinet position, he told Cyrus in all seriousness that "he did not intend to forget his old friendships now that he had attained such importance." This pompousness finished him with Cyrus, and I must say that I have also found him pompous, while friendly. Bahadori can be set off easily when one asks him how he brings to bear his managerial talents in his present position. He can then talk at great length, and almost convincingly. He regards himself as the high-level executive who sees to it that others do their job properly, a sort of prime mover of the cabinet. Actually he seems to be something less. However, he is friendly and can be useful.

BEHBOUDI, Khosro. Warning Notice: This tiresome but well-intentioned man can take a good deal of one's time if care is not taken to keep him at arm's length. He still has political ambitions, but nobody takes him seriously. His attitude toward the U.S. is highly favorable, and he has done some nice work in connection with explaining our aid program some years ago, but I should be very surprised if he has any political future.

BONYAD-MEHR, Jamshid. Not useful as a political contact, but delightful to know because of his role at the Karaj Lake water-skiing set-up where he engages in spectacular acrobatics but will also treat friends to turns around the lake on water skis. He is exceedingly nervous, and has had several ulcer operations. His wife Pari, who must have been a stunningly beautiful as well as charming woman and still has many of those qualities, is the sister of Mrs. (Jamileh) Khalil Taleghani and of Mrs. Fereidun Movasaqi, the current Iranian Ambassador to Turkey. The Bonyad-Mehrs lost one child under tragic circumstances, due to a brain tumor. Mrs. Bonyad-Mehr was married before. They are both delightful people to have at a dinner party.

DEHQAN, Ali. I owed this contact to Chuck Bassias, and although I had not seen Mr. and Mrs. Dehqan more than perhaps 7 or 8 times during our stay in Tehran, there was an atmosphere of easy confidence. He gave us a great deal of useful information when we were preparing our report on political trials. When I asked him point-blank once about the reasons for the sacking of Minister of Justice Ameli, he gave me a point-blank answer

in great detail. Dehqan is an honest man who chafes under the hypocrisy and political limitations in the Ministry of Justice, and he seems to derive some cathartic benefit from sharing occasional confidences with American friends. He was also most helpful to us in connection with the case of an American convicted of murder who was to be released on bail and then quietly let out of the country. In a complex situation in which we were getting much unreliable information on where the matter stood, Dehqan came through -- on the telephone -- with exactly the right dope. Unfortunately Mrs. Dehqan doesn't speak good English. The Dehqans tend to get lost at a big party, but they will be flattered to be included and it may well pay off at a later time. Keep an eye out for them.

DIBA, Amir Khosrow. Having met him soon after my arrival in 1963, I was surprised to be invited by Mr. Diba, together with Mr. Mohammad Farvartip, to a session in which both inveighed vocally against the oppressiveness of the regime. Farvartip subsequently had a serious accident which was never explained, and Diba has never made such a remark to me since. He has been helpful mainly in ceremonial matters, for instance in connection with the Shah's trip to the U.S. He prefers French to English, is kindly and well-disposed, exceedingly rich, but basically a courtier and not very interesting.

[redacted], Abol Hasan. The "caged lion", as Elizabeth and I used to call him, is getting old. The reason we have drawn back a little from our associations with him is that he increasingly lives in the past, brooding and regurgitating the undoubted injustices which he had to endure. We have tried to include him in discussion groups on topical subjects, but found him unwilling or unable to participate. He deserves well from his country, better than he is getting now, and is entitled to the highest respect, but he just isn't a very useful political contact now.

[redacted], Khosro. Victor Wolf used to know him, then Chuck Bassias used to see him, and in the end he attached himself to us so insistently that it proved impossible to "turn him over" as a contact. Why he is so anxious to maintain close relations with our Embassy isn't quite clear to me, for he is essentially a business lawyer. He has on occasion given us information that was useful, but also some spectacular bum steers. It is clear that he has SAVAK contacts. Not a man to cultivate, but neither a man to ignore. He gets around a great deal, and occasionally he has even telephoned me at the office to give me some information. People like that can be useful under certain circumstances. He is a bachelor.

ETEBAR, Abdol Hossein. Still has political ambitions but doesn't quite fit with the present crowd. A former Minister, Etebar is well-connected among old-guard politicians but also, because of his chairmanship of the (semi-defunct) Iranian Committee for Afro-Asian Solidarity, with some of the more "liberal" elements. He has ready access, apparently, to the Prime Minister. A charming conversationalist and owner of a delightful estate at Chemdar about one hour from Tehran, he is someone who can help one to meet people. He also seems to be one of the few politicians left in Tehran who believe that the American Embassy can help advance their political fortunes. Etebar is very rich and from time to time entertains the idea of expatriating himself to Germany. His first wife was German, his daughter is married in Germany -- and his enemies claim that he has much money there ever since a German company obtained a telephone contract when he was Minister. We have found his delightful company, occasionally informative, but rather a lightweight.

FARHANI, Hossein. Warning Notice: This former contact of ours, once an Under Secretary of the Interior, seems to be finished as far as public office or political career is concerned. He continues to cultivate the American Embassy, but since he is no longer connected with the government he doesn't really know what is going on. He was once very helpful to me, when he still had an office (down the hall somewhere) in the Ministry. His wife is a furious alcoholic, also active in the Iran-America Society. Speaks only Farsi. Not a productive contact.

FARMANFARMAIAN, Khodadad. Despite his occasional boisterous good humor and animal energy, he is a deeply troubled man -- and this does him honor. He considers himself a decision-maker (a term he uses occasionally himself), but is painfully aware of the limitations of the system. His ulcers are due not only to the pressure of his work, but quite possibly also due to his fundamental maladjustment in the present system. As we have said elsewhere, Khodadad Farmanfarmaian (he no longer likes to be addressed as "Joe") is likely to emerge near the top even if there were important political changes, for his knowledge of central banking is important to any cabinet. Despite his occasional flashes of brilliance, I have gradually come to downgrade Khodadad as an intellectual. He can make one amusing remark go awfully far in a discussion, but really doesn't have terribly much to say. His two lectures on economic subjects at the IAS recalled the Latin motto, "Si tacuisses, philosophus mansisses" (if you had kept quiet, people would have continued to regard you as a philosopher). While may be overrated, he is bright, friendly, pleasant to have around, occasionally informative, ambivalent about America.

FIRUZ, Sharokh. Warning Notice: This man should be kept at arm's length, for he is an amateurish dabbler in politics and can misquote you (as well as others) in trying to build up his importance. Basically an oppositionist, but not a National Fronter, one may give him credit for democratic convictions but emphatically not for judgment. At Mr. Thacher's suggestion, Chuck Rassias made a tabulation of the predictions and political tips he had given us over a period of time, and that will be found in his bio file. It shows him to have been more often wrong than right.

GANJI, Manuchehr. Larry Hall knows him best, and in fact thinks that Ganji has had a bit too much exposure in American circles here lately. From my own contacts with him, as well as reading some of his writings, I incline to the view that Ganji has political ambitions. At any rate, as head of the international relations department at the university he has an academic platform for political activities. He travels with Princess Ashraf on human rights business, and probably belongs to the Ashraf-Bahnema-Vakil clique that emphasizes Afro-Asianism, anti-Apartheid and the like. In a discussion at my home with Shep Stone (Ford Foundation) about Viet-Nam, we once reached a point where Ganji admitted that the U.S. was right on something; whereupon I asked him why the Iranian Government couldn't say so openly. His response was interesting. He said, in effect: "My students are still skeptical that we are now really independent, but they are intrigued by the opening to the East. If we now take the side of the U.S., even on an issue where we all know the U.S. is right, it would spoil everything."

GHANI (Qani), Cyrus. One of the most useful and productive contacts we have had in Tehran, and also a good friend, but one has to know his blind spots. He is "pro-American" in the sense that he shares our values and has a deep and truly encyclopedic knowledge and interest in the U.S. But he is also a liberal nationalist and would not mind seeing the U.S. humbled, not just in Viet-Nam but also in the Middle East. Cyrus is a true conversationalist in the best sense of that word, and a vast storehouse of information about Iran. He is also a kind of intelligence exchange -- he always seeks inside information and undoubtedly passes it along, so he cannot really be trusted beyond a certain point. On the other hand, he quickly tires of people who "just give me the line". We have not found it difficult to remain within the necessary boundaries, but he is so intelligent that he can put a story together from bits of information obtained from various sources. Here is the occasion, also, for me to correct an earlier assessment in which I had given him credit for physical courage. That was a mistake. Cyrus has a certain amount of

moral courage, but he is essentially an observer and a broker of the political scene. Some day he may be instrumental in fashioning a national coalition. He certainly knows everybody and is respected as a man of good will. He has the most prodigious memory of anyone I have ever known. His stammer is surely due to the classical Oedipus situation, for he adored his father but seems to have been badly neglected by him. His stammer is worst when he is talking about him.

MEJAZI, Senator Mohamad. This lovable old man, who gets voted into the Senate by large majorities because of the widespread success of his popular novels, is basically non-political. There is irony in the fact that he not only was forced to join the New Iran Party after having prided himself that he stood far above party politics (and viciously criticized the New Iran Party and the Government in private), but actually became the party's faction leader in the Upper House. Political converse with him is a limited affair. He still writes stories, and they are delightfully old-fashioned. Not worth cultivating for political purposes, but he is such a nice person and thoroughly friendly to us. His wife is incapacitated, but they love to entertain Embassy people for tea.

MOMAYUN, Dariush. I've had many interesting conversations with Dariush during recent months in connection with the forthcoming launching of his newspaper, Ayandegan. Although he has a National Front background, one must remember his rightist antecedents. Momayun is delighted with the "independent" foreign policy line and at the same time throughly convinced that the Shah is basically right in fearing Arab irredentism. In other respects he is a liberal. He is also well-read, conscientious, intelligent, and an excellent writer (by Iranian standards). As head of the Journalists' Syndicate he could also wield increasing influence. American trained (he studied at Harvard on a grant procured him by Bill Miller), Momayun is interested in maintaining contact with us. I believe he will go far. At any rate, he is an interesting conversational partner. The National Front -- what is left of it -- distrusts him, considers him an opportunist. But I think he is just a realist, trying to convey his message within the limits that permit any message to be conveyed.

KAZEMI, Ezzedin. The Chief of the Legal and Treaties Branch of the Foreign Ministry has a National Front background, was suspended from the service for a while, but was reinstated and is presently in good standing due largely to his tremendous working capacity and grasp of legal points. He worked behind the scenes to limit, as far as possible,

the application of our status agreement; but lately he has in one case worked on our behalf to convince others (in the Ministry of Justice) who wish to be even more restrictive. He is, at any rate, a man with whom one can talk. As long as he is in his present position, he is likely to give us help in immunities cases provided they have not attracted widespread attention. He has himself stated, somewhat ominously, that if a really important case comes along the Iranian authorities will insist on taking the American military person in question into custody and keeping him there for interrogation despite his immunity status, simply because the legal basis for that status is shaky in the view of Iranian lawyers. We may have to appeal very high to get a man like Kazemi to fall into line in such a case.

BAKHTI, Senator Parvis. Warning Notice: His nose is still out of joint that he was not elected President of the Iran-American Society, but he was beaten in a secret ballot -- only he doesn't believe in secret ballots. From Mahmud Zini I understand that he often makes a goat of himself in persisting long after everybody else has realized that he has no chance in obtaining a particular honor. A professional anti-communist, he would have given the IAS an excessively political flavor. Yet he means well and should be flattered on occasion. He also has no compunction to appeal to his American friends for business for his legal office. Generally regarded as a bore.

HABIB, Jamshid. Warning Notice: Useless to try to discuss serious subjects with Jamshid, who is a courtier first and last. His wife, Shrina, is a caricature. Great party-goers, but it has never been clear to me why anyone would want to cultivate them. Their famous party in 1967 was distinguished by the fact that half the guests came down with acute poisoning, apparently because a devout Moslem on their household staff disapproved of merry-making on a mourning day. Too bad that Mrs. Khabir seems to have escaped unscathed. In view of her cuttingly Germanic rendition of the English (as well as German) language, my wife and I have come to call her "die Landplage". But she is supposed to have a heart of gold.

KHAJENOURI, Mohsen. Mahmud Zini once characterized him aptly, though a bit cuttingly, by referring to the famous story about Mulla Nasreddin who, as a prank, told people that gold coins were being handed out at the other end of town. As everybody began to run in that direction, Mulla Nasreddin suddenly decided to run there too "because it is possible that the story is true." Khajenouri cannot have started out in the New Iran Party as a convinced believer. He has a long background

of trying to build bridges to the National Front and still admires Mossadeq. Yet as he advanced in the party and became enmeshed in its activities, his convictions underwent a change -- until now he is perhaps the most persuasive contact we have who can demonstrate, on the basis of his own activities and experiences, that the party has a vitality of its own and is putting down roots in the country. While there are a certain amount of bromides to be swallowed along with the message, he is well-intentioned and can be helpful. He is not, basically, a very intelligent man, but he is becoming an effective politician. As majority leader in the Majlis, he is one of the five most important people in the party and should be cultivated. His wife prefers French, is a devotee of yoga, and always seems vaguely dissatisfied.

KHOSROVANI, Ataollah. As Minister of Labor and Secretary General of the New Iran Party, he is a man whom we should know well, but it is difficult to get to know him well. He speaks no English but fairly good French. He is a cliche expert. It is difficult to get a grip on what he is saying because he just doesn't like to be pinned down to specifics. Widely hated, he is nevertheless a man to cultivate, and I hope Larry will continue to call on him to keep the contact warm. Khosrovani is of course close to the French Embassy (his wife is French), and I have the feeling that the French find out more inside dope through him and Sotudeh than we find out from the allegedly pro-American majority of cabinet members.

MAHDAVI, Fereidun. He has become noticeably less radical over the past years, and while still basically in the opposition (on constitutionalist grounds) one can talk with him about current politics now on a much more reasonable basis. At one time he told me that if the Shah were to be assassinated, he would immediately race to the University where he could count on a core of National Front agitators who would sweep along several hundred students; and these in turn would make for the bazaar to bring out even greater crowds to demonstrate for freedom -- and to get ahead of the communists, who surely would be planning to do the same. Lately he seems to have accepted that the regime may evolve in the direction of greater freedom. At any rate, he is so tied up with his work, and so impressed with the economic progress of the country, that he doesn't have much time left for politics, except of course as a very keen observer. A useful and intelligent contact, and in our case also a good friend.

MANSUR, Javad. I have done a separate bio report on him recently.

MATIN-DAFTARY, Senator Ahmad. Now that both Tom Greene (on whom I tried to push him off) and I are leaving, he will require a new victim in the Political Section. Consumed with ambition to become President of the Interparliamentary Union, Matin-Daftary will stop at nothing to advance his candidacy. He has been active and most helpful in the Iran-America Society, and in view of his recognized stature as former Prime Minister and Minister of Justice, he must not be ignored. Although a lawyer, he can be most superficial on legal matters and recently has taken some stands on international issues which seem designed to appeal to the neutralists. Yet he is basically pro-Western. I have had to have long exchanges with him on the Warren Report (he believes in the conspiracy theory and for a while collected French articles on that aspect) and on other subjects. Flattery is the key to his heart. He has been under cobalt treatment for cancer, believes himself to be over the hump, but seems to have lost weight lately.

MESBAHZADEH, Mostafa. Warning Notice: I have spent much time with Mesbahzadeh and found him unfailingly courteous, anxious to please, and agreeable to talk with. But as a Majlis deputy and newspaper publisher, it was distressing to find that one could not discuss with him what was going on in the Majlis (which he never attended), nor the editorial content of his paper (which he does not supervise.) The thing he is most anxious to discuss is his National Resurgence Movement, which is boring and unimportant. Anyone who wishes to find the way to his heart must, however, put up with that. I wonder if it is worth while. People lower down in Kayhan publications seem to make policy, to the extent that it isn't determined by government officials.

NABAVI, Mohi-ed-din. He has been my most pleasant and productive contact at the Foreign Ministry. Initially recommended by Dwight Dickinson in USUN who had found him helpful on the Fourth Committee, Nabavi from the beginning was interested in the same things that we are interested in. He is pro-Western in the sense that he does not believe in catering to demagoguery in the UN, and he verged on indiscretion when he confided to me in 1965 that Ambassador Vakil had violated instructions (morally, if not technically) in abstaining on the admission of Communist China. Nabavi teaches law (or international relations) at Tehran University. His preferred language is French. He is "a man with whom one can talk," but in his office and informally. At first sight one is apt to underestimate him, but I think he will go far. Unfortunately, he seems to be putting more stress on his academic life during the year 1967/68, but we should try not to lose touch with him. A decent, intelligent man.

NARAQI, Ehsan. The head of the Institute for Social Research has become a political factor. The Government (not only SAVAK but also PlanOrg) uses his services, and he is involved in many basic questions that are discussed in the cabinet. Our experience with him in discussing the Brain Drain (he is the author of the UNESCO report which was leaked to the press even before it was written) has been disappointing, for his emphasis seems to be on analyzing the problem rather than curing it. Also, he has been so anxious to publish his book on the subject (to be brought out by Gallimard in Paris) that it is almost as if he was reserving his principal points in order to make another public splash. Naraqi, who prefers French, is an interesting conversationalist, and his disheveled exterior conceals a mind that is both orderly and imaginative. He is not, in my opinion, a "SAVAK agent", but it is normal that he should not preserve any confidences, for he owes us no special loyalty. He is someone to cultivate.

PIRASTEH, Mehdi. See separate bio report done at a time when he was distinguishing himself as President of the Iran-America Society. One of the few Iranian politicians with Prime Ministerial ambitions who believe that the American Embassy can help to get him the job. While tiresome because of his time-consuming self-praise, Pirasteh is someone to be reckoned with. He has extensive political connections, can get things done, does have ready access to the Shah, and even (after some painful false starts) turned in a creditable performance as Ambassador to Iraq. Well-disposed toward the U.S., at least as long as he still thinks that we are manipulating politicians here behind the scenes.

PIRNIA, Hossein. I have done an extensive bio report on him. He is not important, but as a highly unusual phenomenon in Iranian academic life, a man who has the courage of his convictions, he is worth talking with on occasion. Also, he talks frankly about his colleagues at the university.

QANI, Amin, New Iran Party deputy from Sabzavar. Warning Notice: The Qanis are charming people, personable, good dancers, good hosts, good dressers, pleasant conversationalist, but we have found them totally useless as political contacts. Amin Qani seems to be engaged in some business in Sabzavar. How he got reelected is a mystery, probably just because he goes along and never makes trouble. I have doubts whether he really follows the business of the Majlis.

RAM, Hooshang. See my extensive biographic report on him dated about May, 1967.

RASHTI, Dr. Mohamad Ali. Deeply disappointed that he has not yet attained cabinet rank, Ali Rashti is nevertheless a loyal New Iran Party worker, and he probably makes the most intelligent -- and slightly skeptical -- case for that party. With his long background in the US (with VOA and with the UN) and his American wife, he is not at all reluctant to associate with Americans and should be cultivated. He is a nice man, decent, hard-working, intelligent, but also a bit jaded. He maintains contacts across the board of the political spectrum by a by-weekly dinner meeting that used to include Cyrus Ghani until the latter got tired of hearing the jeremiads of disappointed office-seekers.

SALEH, Jahanshah. There is only one thing that can be discussed extensively with Saleh, and that is Saleh. His ego knows no bounds. Yet he is also effective in many ways. He pushes people around, but he gets things done. He is totally unafraid of making enemies, and in a way that is refreshing in Iran. My wife, who is a gynecologist, considers him an almost dangerously superficial doctor, despite the fact that it was he who delivered the Empress's children. The trouble with Saleh is that he is vastly overcommitted. For example, he will accept several dinner invitations for one evening and then either send his wife to represent him or split his presence according to his mood. Lately it has become apparent that there is a feud between Saleh and Alam. I would put my money on Alam.

SAJADI, Senator Seyed Mohamad. He was introduced to me by Senator Hejazi as probably the most influential member of the Senate. While this may be exaggerated, he certainly is well-informed and a keen observer of the political scene. Speaks French. Should be cultivated. (WAH knows him).

SANATI, Homayun. I have recently done an extensive biographic report on him. As he does not like parties, it is difficult to know him.

SHAHQOLI, Manuchehr. Warning Notice: We know the Shahqolis very well because of Elisabeth's close friendship with the Danish-born Mrs. Shahqoli who probably is Iran's leading anesthesiologist. But the Minister himself is hopeless. His blurry eyes -- a most extraordinary phenomenon, looking into his eyes produces a blurry sensation -- describe the man. He doesn't seem at all interested in politics, but even when talking about medicine usually confines the conversation to the briefest answering of questions. He is amiable enough, but just not communicative. Good case showing that American training doesn't necessarily mean pro-American. He is not at all interested in politics of any kind. Close friend of Hoveyda. Mansur brought him into the cabinet. A poor administrator, but a first-rate plastic surgeon.

SHARIF-EMAMI, Jafar. The President of the Senate (and head of the Pahlavi Foundation and of the Chamber of Industries and Mines) was probably my most productive contact here, despite the fact that we never really established a close personal friendship. He used to welcome my calling on him at his office about once every other month, for a leisurely tour d'horizon in the course of which he would be most forthcoming and informative. We worked very closely with him in the matter of straightening out the regency, in which he had an important role. He has been quite outspoken in his opinions on various political personalities, and in some cases (as for instance in procuring an advance copy of the English edition of the Shah's book) he went really out of his way to be helpful. I think the basic reason why he was so open and helpful with me is that he suspected, erroneously I believe, that the U.S. considered him unduly pro-Soviet because of the abortive move toward a non-aggression pact with the USSR when he was Prime Minister. He has gone out of his way to show that he wishes to cooperate with the U.S., and he can continue to be helpful.

SHEIBANI, Mehdi. Former Deputy Minister in the Alam Cabinet, he still enjoys close relations with Alam and can be useful in that connection; but Mehdi (known as Mehdi-mus or "Mehdi-Mouse" to his Iranian friends) is essentially a lightweight. Entertains lavishly, but doesn't really have much to say. Very pro-American, though.

ZIAI, Mahmud. For three out of our four years in Tehran, he has been our closest friend and an inexhaustible fund of delightful insights into the Iranian mentality as well as the inside of Iranian politics. If a pall has been cast over our friendship (unacknowledged, of course, but impossible to ignore) it was because of the occasional shrewishness of Mrs. Ziai, who is consumed with ambition and inclined to be hypercritical and self-serving especially when she insists that she is "utterly frank." Mahmud, alas, is completely under her domination. He is a sensitive, generous, intellectually searching and self-critical man who can look at his country with a fair degree of objectivity. This means, of course, that he can also be very critical about things in his country (usually to the displeasure of his wife), and he has treated us to anecdotes of Iranian political life which have been invaluable for our understanding of the political system. He is a Masson, but does not like to talk about it. He is also a person who will give generously of his time whenever and wherever he is needed, and often he has sat down with me and discussed exactly the things which I needed to know about. We are devoted to him and owe him a great debt of gratitude, for it was through him that we have been able to know and see and understand so much of Persia.

[redacted]

SECRET/NOFORN Copy 3 of 6

JS

April 26, 1969

L. W. Semakis' Contact List

1. Senator Mohammad HEJAZI, a kindly old gent who is more interested in literature and poetry than politics, is charming company but not terribly well informed on political issues. He has long been acquainted with Embassy officers and seeks their company. He owes his presence in the Senate largely to his friendship with Senate President Sharif-Emami, but it is not likely that Sharif-Emami shares confidences with him. He is very pleasant company, and fits in nicely at very large cocktail functions. The Embassy ought to keep in touch with him from time to time, if for no other reason than that he is so very well disposed towards the U.S. Telephone #83441.

2. Senator Seyed Mohammad SAJADI, Vice President of the Senate, is an old face and well entrenched in Iran's contemporary establishment. He is rather critical of government policies, particularly those that might infringe on the prerogatives and profits of those who are well-heeled in Iran today. He was very critical of the recent urban renewal bill, and during the three years I have known him has tried to block most tax legislation suggested by the government. Sajadi is about as well informed as any Senator on political issues, but I have found him forthcoming only on rare occasions. He is extremely cautious about what he says, and prefers to avoid discussion of sensitive issues. If one can gain his confidence, however, he should be an excellent source of information on what is talked about behind the scenes. Sajadi speaks very little English but fluent French. Telephone #81418.

3. Senator (Mrs.) Mehrangiz MANUCHERIAN (married to Dr. Hosseini - a lawyer and linguist who speaks excellent English) is a lawyer and very active in the Family Planning movement in Iran. She has from time to time been an excellent source of information on women's affairs, but is not too well versed on the more important political developments in Iran. She has been very well disposed towards the Embassy, and a Persian speaker should not find it difficult to establish a rapport with her. Telephone #33453.

4. Senator Mohammad SAIDI, has been one of my most useful and productive contacts. As Secretary on the Senate Presidium he is well aware of the behind the scenes discussions that take place on matters before the Senate. He is very close to Senate President Sharif-Emami who, apparently, shares his confidences with Saidi. Saidi has been an excellent source of information on domestic political developments, particularly on New Iran Party and Mardom Party developments. He is more interested in foreign

SECRET/NOFORN

Group 3
Downgraded at 12-year intervals,
not automatically declassified.

affairs, however, and keeps his ears alert for developments in Iranian foreign policy. He has on several occasions conveyed interesting informat on Iran-Arab relations, and has given insights into the thinking in high circles on issues involving US-Iran relations. Saidi prefers quiet, priv discussions where substantive matters can be aired. He usually avoids putting calls through to the Embassy, and apparently prefers to be called at home rather than at his office.

Mrs. Saidi, is a member of the Majlis. While not too well informed on New Iran Party affairs, she nevertheless can contribute to rounding out infor- mation already at hand, and is particularly useful in identifying person- alities and conflicting interests in the Majlis. Mrs. Saidi is a poetess, speaks fluent French but only a minimum of English. The Senator, however, speaks good English as well as fluent French.

5. Mr. Ali ABTIN, Senate Administrative Officer, is a wealth of informat on the day to day workings of the Senate, and knows all the Senators personally. More important, he is a "political animal" who keeps current on foreign and domestic matters. He is privy to much of the political go circulating in the Senate and is especially adept at sniffing out conflic and disagreements among Senators and other high government officials. Ab is extremely forthcoming with information and assistance and is almost always available at his office. He speaks no English, but fluent French. Telephone #64851.

6. Dr. Hamid KAFAI, Majlis Deputy from Meshed and member of the Foreign Relations Committee, is eager for contact with American Embassy officers. He is aware of feelings in the Majlis on foreign policy matters but doesn't seem to have access to the inner circles at high levels which are informed on foreign policy decisions. Coming from a religious family in Meshed, Kafai is an excellent source of information on the Iranian religi scene, and has been helpful in arranging contact with persons in govern- ment who oversee religious matters. Kafai speaks no English but fluent French. His wife is German and speaks fluent English and adequate Persia Telephone #765661.

7. Manuchehr KALALI, Majlis Deputy from Meshed and until recently a lead light in the New Iran Party, is knowledgable on domestic political develo ments, particularly of a party nature, but has not been terribly forth- coming. For the past several years he was a moving force in the New Iran Party and somewhat of a ideologue for the party. His ambitions are said to have gotten him into trouble with New Iran Party Secretary General Khosrovani, and he resigned from his position as Khosrovani's right hand man in November 1968. Since his run in with Khosrovani, Kalali has becom openly critical of the New Iran Party and more forthcoming with Embassy officers. Kalali speaks English but prefers using French which he speaks fluently. Mrs. Kalali is French, speaks no English but good Persian. Telephone #756062.

SECRET/NOFORN

Group 3
Downgraded at 12-year intervals,
not automatically declassified.

8. Dr. Ahmad RAFII, Majlis Deputy from Rafsanjan, is an old acquaintance who when I met him worked in the Ministry of Housing & Development before election to the Majlis in 1967. He is a close friend of Mahavandi, former Minister of Housing and current Chancellor of Pahlavi University. Because of this friendship, Rafii was selected recently by Mahavandi to be his personal representative in Tehran for Pahlavi University matters. Rafii believes himself to be an expert economist and enjoys long, rambling conversations about Iran's economic situation. He is highly critical of the government's economic policies, and opposed to the tight political controls which the Shah has imposed on Iranians. These feelings never go beyond the talking stage, however, and Rafii has done very little in the Majlis to correct or criticize alleged mistakes of government. He is fairly well informed on New Iran Party developments, but doesn't take too deep an interest in party matters and is wont to shortsell the significance of today's political parties. Rafii speaks adequate English and fluent German. His wife speaks no English. Telephone #772020.

9. Mr. Hesam-ed-Din RAZAVI, Majlis Deputy from Shiraz, is an old friend from my days in Khorramshahr when he was Ministry of Labor representative in the Consortium. He is very close to Ataollah Khosrovani (Former Minister of Labor) who was largely responsible for launching Razavi's Majlis career. Razavi over the years has been very frank in discussions with me, but on New Iran Party matters his loyalty to Khosrovani, naturally, took precedence over our friendship and I did not find him too useful a source of information on the party. Razavi speaks some English, but credits himself with more fluency than is warranted. Useful conversations with him must be conducted in Persian. His wife, who works in the Ministryof Higher Education, is very active in women's affairs. She speaks fluent English and is a willing interpreter for her husband. Razavi, himself, has political ambitions and thus far has managed to keep his lines tied securely to influential Iranians who can help him. He is intellectually quite shallow, however, and not likely to go much further than the Majlis. Telephone #48743.

10. Dr. Nasrollah SABZEVARI, Majlis Deputy from Tehran, is very close to Khosrovani, and quite knowledgable on New Iran Party affairs. Prior to his election to the Majlis, Sabzevari was head of the New Iran Party Secretariat where he worked closely with Kalali. Since Kalali's fall from favor, Sabzevari seems to have taken on some of the responsibilities for running the day to day party business. He has been rather forthcoming in discussions about the party, but is careful lest he leak information to foreign officials which might embarrass Khosrovani. Sabzevari speaks no English. He can be reached by phone at the New Iran Party's Headquarters or the Majlis.

11. Mr. Mehdi EKBATANI, over the years, has been a very useful and productive contact at the Majlis. Recently, he was "kicked upstairs" from his position as Majlis Administrative officer, and is on his way to retirement. Nevertheless, his long years at the Majlis and his personal acquaintance with all the Deputies make him an excellent source of information. Ekbatani is very favorably disposed towards Embassy officers and has often related the substance of unpublicized developments in the Majlis. Although he has been sidelined, it would be wise to continue contact and to issue him occasional invitations to Embassy functions. He speaks some French, but no English. Telephone #311103.

12. Mr. Mansur MAHDAVI of the IMBBI has been in close contact with Embassy officers over the years. He has political ambitions and was eager for election to Parliament in 1967, but thus far has not been too successful in realizing such ambitions. He is a good representative of the many educated Iranians who are critical of the political situation in Iran but who also have become convinced that matters are not about to change. More recently, Mahdavi has become somewhat of a supporter of the Shah and the government's policies. His loyalty, however, does not run too deeply, and he can easily slide back to the more critical stance he used to take. Mrs. Mahdavi is a librarian at Tehran's Polytechnic Institute and a good source of information on student activity at that institution. Both he and she speak fluent English. Telephone No. 881538.

13. Dr. Hosein FALSAFE, Supreme Court Justice, was a Deputy in the short-lived 20th Majlis dissolved by the Shah. He is one of the older generation of politicians who still remain convinced that the U.S. runs things in Iran. He is highly critical of the Shah's authoritarian rule and is convinced that corruption in Iran reaches up to the throne. Intensely interested in politics, Falsafe seeks the company of American Embassy officers and is eager to discuss the domestic political situation. He is out of touch with the political realities of today's Iran, but quite useful for information on judicial matters and issues before the Supreme Court. Falsafe speaks some English, but quickly reverts to Persian if one indicates some command of the language. Telephone #334484.

14. Dr. Ahmad FALSAFE, (brother of Supreme Court Justice, who was a Deputy in the 20th Majlis, Dr. Hosein Falsafe) is a surgeon who teaches at Tehran University's Medical Faculty. Falsafe has from time to time produced information on the student situation at Tehran University. He knows Dr. Adl (Secretary General of the Mardom Party) and has on occasion related useful information on developments in the Mardom Party. Falsafe is interested in politics, but not as keenly as his brother. He tends to be more realistic about the Iranian domestic political situation, but like most Iranians, exaggerates U.S. influence over developments. Dr. Falsafe speaks fluent English. His wife understands some English. Telephone #65650.

Mr. PISHVAI, Ministry of Justice, is in charge of the Arbitration Councils and Houses of Justice program. He is the man to see about developments in this field and is most forthcoming with information. He speaks no English. Telephone #Ministry of Justice X-288.

16. Mr. Mahmud TOLUI is one of Iran's better journalists who seems destined to move to higher levels in the public information field. He has a sharp, analytic mind and is an avid reader of foreign press commentaries. His posting as foreign commentary writer for the New Iran Party organ, Nedaye Iran Novin, gives him access to the thinking of high iparty levels on matters relating to international affairs. He also keeps abreast of party developments -- although he himself is not an enthusiastic party man. Tolui will soon have a second job as reviewer of information bulletins put out by the government for use by the Iranian press. In this capacity he will have access to behind the scenes discussions regarding what should and should not be made public by the government. Tolui is very forthcoming and most appreciative of ideas and assistance in writing articles in depth on international affairs. He reads and understands English well, but has difficulty conversing. He speaks fluent French, however, and is sought after by press officers of the various embassies in Tehran, particularly the Soviets and Israelis. Telephone #332214.

17. Dr. Hesam GHAFFARI is a public relations officer at the I.O.O.C. I have known him for some six years since my days in Khorramshahr when he was involved with public relations at the Abadan Refinery and when he was an excellent source of information for the Consulate. Very outgoing and friendly, Ghaffari is an excellent man for getting oneself introduced to Iranian officials. He knows many people, and claims to be related to practically every prominent family in Iran. While this claim is obviously exaggerated, he means well and goes out of his way to be helpful. He speaks fluent English and is very well disposed towards Americans. Telephone #881383.

18. Dr. Amir BIRJANDI of the Ministry of Education is an excellent source for information on education in Iran generally, and the Literacy Corps in particular. He is Capt. B. Head's (MAAG) father-in-law and has spent much time in the U.S. Birjandi is quite forthright in his views and can usually cut through the chaff to describe the essentials of any problem. There is somewhat of a tendency, however, to be verbose and to go off on a tangent but gentle prodding usually puts him back on the track. Telephone #38391.

19. Mr. Hosein FARHOUDI, President of Tehran's Municipal Council, has made a comeback as a useful contact. When Ansari was Minister of the Interior, Farhoudi was one of the old-timers at the Ministry who was put out to pasture. Shortly before Ansari's fall (and perhaps presaging the former Minister's fall from favor) Farhoudi was elected to the Tehran

Municipal Council and later selected as its President. Very well disposed towards the American Embassy, Farhoudi should be an excellent source of information on city affairs. He has an exaggerated view of U.S. influence over affairs in Iran, but this can work to our advantage since it reinforces his desire to stay in the good graces of the Embassy. Farhoudi speaks little English but fluent French. His daughter, Mrs. Farsoud, is a delightful young lady who works as a Secretary at the Canadian Embassy and whose husband works at the Plan Organization. Telephone #22845.

20. Dr. Firuz BAHRAMPOUR, Assistant to Tehran University Chancellor Reza, is a young, American educated Iranian bachelor who recently returned to Iran to collect material for a dissertation but who subsequently was dazzled sufficiently by the money and prestige of his new job to remain in Tehran -- at least for the time being. His proximity to the Chancellor would indicate that he has access to inside information on university affairs. To date, however, he has not shown himself to be too perspicacious or alert to campus developments. His absence for many years from Iran is reflected in some of the naive political judgments he is wont to make, particularly about student affairs. Nevertheless, over time, Bahrampour may prove the above assessment too critical and turn out to be very helpful. At the very least he should be in a position to gauge Chancellor Reza's prospects and could perhaps fill in gaps in the Embassy's knowledge of factual information on Tehran University. Telephone #40610.

21. Dr. SHAMIRZADEH is a protege of former Minister of Interior Ansari with whom he worked closely in Khuzestan when Ansari was in charge of the NIPA, and for whom he served well in the Ministry of Interior. When Ansari lost his job in the Ministry of Interior, Shamirzadeh - predictably - was also given his "walking papers". He is now employed by the IMDBI where he has many friends among the young talented Iranian technocrats who run Iran's day to day business. Should Ansari make a comeback (which is not inconceivable in the next few years) Shamirzadeh is sure to be one of those who will rise rapidly into a responsible position. A real modernizer with proved administrative talents, Shamirzadeh warrants continued attention by Embassy officers. He is very well disposed towards Americans and has a very attractive, friendly personality. He was most helpful to the Embassy during recent Parliamentary and Municipal elections when information was needed to draw up an assessment on the elections. He speaks fluent English. Telephone # IMDBI.

22. Miss Mahid BAYAT, a bright young journalist whose articles appear in the English language Kayhan International, is not only charming company but an excellent reporter. She has a searching mind and enough of an aggressive spirit to dig out the facts for the articles she writes. Educated in the UK, she nevertheless is reasonably well disposed towards Americans and has

[illegible] very helpful to me in understanding the Iranian domestic scene. Miss [illegible] is quite popular in young, foreign educated Iranian circles and has introduced us to some of her more talented friends. She is clearly one who should be cultivated for she is bound to move up in the field of journalism. She speaks fluent English and is delightful company. Telephone [illegible]/1989.

. Mr. Dariush HOMAYUN of Ayandegan has been well known to Embassy officers for many years. He is undoubtedly one of the more talented young Iranian journalists and enjoys considerable popularity in young "nationalist" Iranian circles. Homayun seems destined to go far in the Iranian political scene, particularly now that he has succeeded in finding a niche for himself within the establishment, without at the same time doing irreparable damage to his reputation as an independent thinker. In recent years, particularly since the launching of Iran's new morning daily, Ayandegan, Homayun has appeared more distant in his relations with the Embassy. Invitations to functions during the past year, for example, went unanswered. Nevertheless, he is clearly one who should remain on the Embassy's invitation lists because he is definitely Minister material and could make it to the Prime Ministership some day. Telephone # Ayandegan.

. Dr. Khosro BEHRUN is a waste of time. While very well disposed towards Americans, he holds no responsible position, has no standing among Iranians, and hangs like a leech on any Embassy officer who cares to give him the time of day. An economist by training, Behrun usually hangs around the IAS where he displays a pompous air of importance. He has a brother in the Iranian Military Court system who could be a valuable contact, except that Behrun chooses not to introduce him to Embassy officers on the excuse that such contact would have a negative effect on his brother's career. Behrun, himself, has wild, fanciful views on the Iranian political scene and has been known to occupy the time of Embassy officers for the entire duration of a function. Except for his willingness to assist Embassy officers who have a penchant for hunting, Behrun has nothing to offer. Telephone #36132.

. Dr. Manuchehr DARESHURI is a young Qashqai working in Tehran at the IMB offices. He is very well disposed towards Americans, has been instrumental in arranging matters for Embassy officers wishing to go on tribal migrations, and is a good source of information on Qashqai tribal affairs. His views, of course, are biased on relations between the Qashqai and the government, but when pinned down for facts he sometimes offers very useful information. He appears to be very discreet in his relations with Embassy officers and is politically astute enough to recognize the limits to which he can go in seeking a sympathetic hearing from foreigners for the lot of his fellow tribesmen. Dareshuri speaks fluent English. Telephone 60087.

. Mr. Khosro EQBAL, bachelor lawyer and brother of the more prominent Manuchehr Eqbal, at times proves to be an invaluable contact. He is very well informed on the latest political intrigues hatched at higher levels

of government and appears to delight in swing Embassy officers with his awareness and knowledge of such "secrets". Shrewd and intelligent, Eqbal is also a very sensitive man who can easily take offense. In sharing confidences with him, one must be most cautious since Eqbal is a live communications wire carrying one's thoughts and words to higher Tehran circles. He is a political gossip par excellence and thus both useful and dangerous. When invited to functions, Eqbal invariably shows up fifteen minutes to a half hour earlier than called for on the invitation. Unless one is eager to have a private tête a tête with him before the other guests arrive, it is probably better to register a later starting time for a function on his invitation card. Telephone 43492.

27. Dr. ABEDI, former member of the Tudeh who broke with the communists in the late 1940's to join Khalil MALEKI's Socialist Party, teaches at Tehran University's Engineering Faculty but has lost none of his anti-Shah sentiments. He is a useful source of information on the views of opposi-tionists in general and at times has given good insights into the situation at Tehran University. Although a discreet meeting was held at his home to introduce me to then recently released from prison Socialist leader Reza SHAYAN, I have seen Abedi more frequently at the home of Rahmatollah Moqadam. Abedi speaks no English but fluent French and some German. Frequent contact with him under current conditions in Iran is neither useful nor desirable, because of his political background and because much of what he has to say can be learned from Moqadam whose political past is much less stained.

28. Mr. Mehdi EBRAHIMIAN, Iran's best architect who designed the Shah Abas Hotel in Isfahan, is very popular with young Iranian professionals schooled overseas. French educated, he nevertheless enjoys the company of Americans and sometimes has interesting things to say about the current Iranian scene which tend to reflect the opinion of young Iranians who are doing well in their chosen field. He is currently busy assisting the Iranian government in putting up an Iranian exhibit in Moscow and is scheduled to make several trips to the Soviet capital in connection with this project. He speaks fair English and fluent French. His wife, Violette, an interior decorator, assists him in his work. She speaks fluent English. They can be contacted through Miss Bayat or Miss Faridani.

29. Dr. Hamid ENAYAT, young economist and Professor at Tehran University, has been described to me by Tehran University students as one of the most popular professors on the campus. He is currently in the U.S. on a grant but should be returning to Iran in six months. He and his English born sociologist wife, Ann, are close friends of Heda and Mariam Matin-Daftari and have similar National Front minded opinions about the way the Shah runs Iran. Enayat is very cautious in what he says, presumably because he would not wish to unnecessarily jeopardize his teaching position at the University. He is very bright, witty and delightful company. Telephone #43

32. Dr. Malek-Mansur ESFANDIARI, Majlis Deputy from Sirjan and member of the Mardom Party was recruited for the Mardom some years ago by Court Minister Alam. He is not very enthusiastic about the party but is in a position to know what party directives have been issued and the reaction of Mardom Parliamentarians. He is friendly toward American Embassy officers but to date has not been inclined to respond too enthusiastically to invitations or to such contact on his own initiative. American trained, and rather sober in attitude, Esfandiari could develop into a helpful source of information in the future. He speaks fluent English and can be contacted at the Majlis.

33. Mr. Abas ESLAMI is a wealthy businessman and former member of the Majlis. In the late 1940's and early 1950's he was very active in politics and published a provincial newspaper, Zaebane-Melaet, in Mazanderan. Despite his wealth, Eslami is restless and unhappy because he lacks the status that comes from having a high government position. He is now angling for a seat in the Senate and it is conceivable that with his money he might be able to buy his way in. He is not very well informed on political issues--indeed, he tends to be almost completely misinformed. Nevertheless, he is eager to maintain his contact with American Embassy officers and makes it his business to keep in touch. My wife and I have on numerous occasions been the embarrassed recipients of expensive gifts. We have tried to dissuade him from the practice, but to no avail, so have resorted to returning modest gifts. Both he and his wife are good people who mean well, but the gift exchanges can run into sums of money that most Embassy officers would probably wish to avoid. Telephone #850262.

34. Miss Farzin FARIDANI, a young lawyer educated in the UK, works as a researcher/librarian at Dr. Ganji's Institute of International Studies. She has a bright, sharp mind that is being put to good use at the Institute at this time where research is being conducted on the Persian Gulf area. Miss Faridani, with several others, recently completed research on the Shatt al-Arab river dispute between Iran and Iraq at the request of the government, and the results were used by Acting Foreign Minister Afshar recently in his public statement before the Iranian Senate outlining Iran's position on the matter. She is a very close friend of Miss Bayat and other young, bright, UK educated Iranians. Miss Faridani, whose poor eyesight and less than attractive appearance might tend to put one off, is a very interesting person and intellectually inclined. She should be able to answer many questions on Iran and Iranian affairs, or at least do research on questions and come up with useful answers. Telephone #755665.

35. Dr. Hedayottolah MATIN-DAFTARI, grandson of National Front hero Mosadeq, is an extremely useful contact for developments in opposition circles. He has a fine mind, an intense interest in politics, and excellent lines to various elements in the Iranian opposition. Disillusioned by U.S. support for the Shah, Matin-Daftari, nevertheless, appears well disposed towards Americans. Like most of his Iranian compatriots he has a deep distrust of the British whom he, nevertheless, admires. His activities are

watched by the authorities but his contact with foreign embassy officials in recent years at least has not been restricted. It is probably not wise to see him more often than necessary since he is not above using his relationship with American Embassy officers for his own political ends. There are reports that he at times distorts what is said to him by Embassy officers in an effort to cause anxiety on the part of the authorities about U.S. government intentions in Iran. He and his wife Mariam are delightful company, however, and she has a particularly warm personality. She shares her husband's political views; and at times appears even more passionately committed to these views than "Heda", (as he is known to close friends). Telephone 64757.

34. Dr. S. NEZAM-MAFI is a medical doctor with a private practice who comes from a prominent Iranian family. His grandfather (NEZAM-SALTANEH) was very active in politics and at one time held the relatively important position of Governor General of the southwestern portion of Iran. Nezam-Mafi takes an interest in politics and is a good representative of young professional Iranians who are not too happy about the current political situation in Iran but who live comfortably enough to put their reservations on ice and passively accept the current state of affairs. Mrs. Nezam-Mafi is now doing research at Dr. Ganji's Institute for Advanced International Studies and has completed a paper on Kuwait. Both Nezam-Mafis speak excellent English and have an interesting circle of Iranian friends. They are verywell disposed towards Americans and reflect in their opinions, I believe, the views of a large number of their contemporaries. Telephone #48945.

35. Mr. Ardeshir MOLAVI, young, American educated engineer at the National Petro-Chemical Co., is keenly interested in politics, but was defeated in 1967 in his bid for a Majlis seat from his native Mianeh on the Mardom Party ticket. He is a member of the Mardom Party's Central Committee and very well informed on party developments. He has been extremely useful for conveying the Shah's views on the Mardom Party as related to party members by Mardom Party Secretary General Adl. Shirin, his wife, is a Bakhtiari girl, related to the notorious Teimur Bakhtiar. She is as uninterested in politics as Ardeshir is keen on politics, but she nevertheless is good company and very friendly. Both Ardeshir and Shirin speak fluent English and have become close personal friends. Telephone #622480.

36. Eng. Rahmatollah MOQADAM is an agricultural engineer who supports former Prime Minister Ali Amini and who firmly believes that the Shah should reign and not rule. Although he was not a National Front member himself, Moqadam shares many of the view of the Front people and is in direct contact with some of the leaders involved in the National Front movement. During the past three years he has been an invaluable source of information on oppositionist activities and has been especially useful in conveying news about the activities of Amini. Moqadam is very well disposed towards American Embassy officers and frequently attends IAS functions. He has a more sober outlook on Iran's domestic political situation than many of his contemporaries althou

[illegible] suffers from some very deep misconceptions about the influence of the U.S. over the Shah. Moqadam has been especially useful in introducing [illegible] oppositionists and has done so with discretion and tact so as not to cause embarrassment to the parties concerned. He speaks adequate English and fluent French. He much prefers to speak Persian and I have found him to be a more productive source of information when discussions are in Persian. His wife is related to Court Minister Alam, but shares her husband's political views. She sometimes manifests a more passionate commitment to constitutional monarchy than her husband and particularly resents the fact that her spouse is prevented from gaining a high position in government because of his political views. Telephone #770225.

7. Ayatollah QOTSI is a religious leader who has long been in discreet contact with American Embassy officers. He walks a thin line between the government and the anti-government clergy. While by no means a "tame mullah", he is also not a radical oppositionist of the Khomeini, Qomi and Shariati stripe. He travels to the various religious centers in Iran and makes occasional trips to Najaf, Iraq where he meets his former classmate Khomeini. He is a useful contact for hearing the views of the politically disaffected clergy in Iran and for learning about government measures taken against such clergy. He is eager to maintain contact with the Embassy and is readily available for a meeting at his residence after an appointment is made by phone. Calls should not be put through to him from the Embassy switchboard, nor should an Embassy Officer identify himself by name over the phone. He will know who is calling, presumably by the accent, and designate a time when it is convenient to meet. One's car should be parked several blocks away from his home located at: Khiabane Farvardin, Kuche Danesh #17. Qotsi has an exaggerated view of U.S. influence in Iran and has on occasion embarrassed American officers by openly requesting U.S. government financial support for the clergy "to fight communism in Iran". It is probably best to presume that SAVAK is aware of meetings between Qotsi and Embassy officers and to be most discreet in what is said. Qotsi is verbose and usually monopolizes a conversation. A few well placed questions can usually evoke useful information which makes such contact productive enough to continue. Qotsi speaks no English and, unfortunately, has a tendency to use complicated Arabic terms when speaking Persian. He is not reluctant to repeat things for better comprehension by his listeners. Mr. Rouse has been introduced to him. Telephone #65276.

8. Mrs. Homa (ROUHI) SARLATI was appointed by Princess Ashraf to run the Iranian Women's Organization. A very competent economist with a long career in the Central Bank, Mrs. Sarlati (who works under her maiden name - Rouhi) has been active in breathing life into the Women's Organization. She is an excellent source of infomation on developments in women's affairs and is eager for contact with Americans. She speaks excellent English and tends to overshadow her husband who is a modest high school teacher with but a minimum knowledge of English. The Sarlatis have been our neighbors for three years and are personal friends. The Embassy would do well to keep in contact with her because she is intelligent, active, and appears destined to continue filling responsible positions.

39. Dr. Reza SHAYAN, Socialist leader jailed with Khalil MALEKI, remains bitterly opposed to the Shah's rule and appears eager to relate his views to Embassy officers. His movements are watched by the authorities who I presume have been aware of meetings arranged at Rahmatollah Moqadam's residence. Caution in expressing Embassy views on the Shah and developme in Iran are, of course, absolutely necessary. Shayan is questioned by SA about his friends and contacts, and it would not be above Shayan to purpo misinterpret or distort what has been said to further his own political ambitions. Frequent contact should not be necessary, but an occasional meeting would permit Embassy officers to gain an unfiltered view of the attitudes and views of the hard-core non-communist opposition in Iran. S sees Maleki fairly frequently, but admits that neither of them considers opposition political activity in Iran at this time feasible. He speaks no English. Arrangements for meeting can be made through Moqadam.

40. Mr. Ahmad TAROKH, local representative for the Christian Science Monitor, is eager for contact with substantive Embassy officers to get a line on Iran-US issues of interest for use by his home office. He openly states that he wishes to share confidences and thus far he has proved to discreet and tactful in his handling of what he is told. I have the impression that he claims better contacts in the Iranian Foreign Ministry (i.e. Zahedi and Afshar) than is the case, but he has in the past related views expressed to him on Persian Gulf developments allegedly made by Afsh Tarokh is not as sharp or resourceful as his A.P. colleague Parviz Raein and he is also less daring in trying to uncover the facts for a news story He must have suffered at the hands of the authorities for some indiscretio in the past because he is terribly sensitive about handling press issues which he knows to be delicate. For example, during the trial of 14 young Iranians, Tarokh relied almost exclusively on press releases furnished him by Raein, and clearly avoided the inclusion of additional information that might cause offense and be traced back to him. He also preferred to seat himself far away from me during the court sessions so as to avoid too clos an identification with a foreign embassy representative. Tarokh speaks fluent English. Telephone 313697.

41. Mr. Richard WOODRUFF is an American who has spent many years in Iran as close personal advisor on Civil Service Reform to GUDARZI. He is an excellent source of information on Civil Service reform in Iran and over the years has been most helpful in guiding me through the maze of complica measures adopted by the Iranian government to streamline the Iranian bureaucracy. Ali NAZERI (American educated) and "Bob" GHAZARIAN (UK trained Armenian married to an American) work with Woodruff and have also proved to be good contacts for supplementary information supplied by Woodr Productive contact has been maintained with Woodruff through periodic lunc engagements. Telephone #612667, X-335.

POL:LWSemakis:gh 4/26/69 SECRET/NOFORN

File: Appropriate BIOS

PERSONAL IMPRESSIONS

Nader Mostofi Managing Director of the National Petrochemical Company since its inception and a former NIOC Board Member. Mostofi is probably a competent and qualified engineer. His ebullient manner however tends to lead him to not analyse objectively and unemotionally problems that confront NPC. It is not inconceivable that a more pragmatic managing director might have been able to avoid some of the pitfalls into which both the Abadan and Shahpur plants have fallen. Mostofi nearly got the axe due to the Shahpur debacle and may yet find himself "selected out".

Dr. Mostofa Mansouri Director of the Ministry of Finance's Petroleum Department. Mansouri is a calm and reasonably competent staff executive. On the surface at least he does not appear to take a significant role in oil policy formulation.

Dr. Parviz Mina: In my view this extraordinarily hard working and outstandingly competent executive is on the rise. Recently made an alternate NIOC board member his primary functions concern the joint venture agreements. In the past few months however he has also been directly involved in negotiations with the consortium. It is not inconceivable that one day, perhaps even soon, he may assume Reza Fallah's duties of handling all non-internal affairs. Parvis Mina is however a technocrat, not a politician, and it is doubtful that inspite of his noteworthy competence he would rise one day to the No. 1 NIOC spot.

Dr. Reza Fallah. A competent, dynamic and experienced oil executive. Reza Fallah has been a NIOC board member for some years. Heading up NIOC's non-internal activities he has played a prominent role in relations between NIOC/GOI and the foreign oil companies working in Iran and especially as concerns the Consortium. Although ambitious to be NIOC's Chairman he may never attain his goal. In-fighting within NIOC's hierarchy during NIOC/GOI's negotiations with the Consortium, and by-passing Eghbal on occasions in contacts with the Shah have led to some animosity between Fallah and Eghbal. In negotiations with the Consortium in May Fallah's role was much diminished. Rumors have been circulating that Fallah may be relieved of his duties as head of International Affairs, retaining only his board membership. Reportedly however he still enjoys the full confidence of the Shah.

Houshang Farahnak: NIOC Board Member and Head of Internal Operations. He only recently came back to NIOC from the managing directorship of the NIOC. He appears to be hard working and competent but would not appear to be of the high competency nor possess the experience of his predecessor.

Faridhan is not always easy to deal with, seems unusually conscious of the importance of his position, and has a slight tendency to take firm positions on issues regardless of the merits if he in his own mind believes an outsider is making any attempt to put pressure on him or to push him around. There also seems to be in him a slight nationalistic tendency and a slight anti-"majors" sentiment. These attitudes are not generally found in other high NIOC management officials.

H.E. Dr. Manoucher Eghbal: Since about 1964 this ex-prime minister has been NIOC's Chairman. A M.D. by academic training he is essentially a politician. Although his French is excellent his knowledge of English is limited and there is a tendency to indicate he has understood when this is in fact not the case. The Consortium has had some unfortunate experiences as a result thereof. As Iran has no Minister of Petroleum, Eghbal as NIOC Chairman plays such a role to a large extent - the notable exception is that Jamshid Amouzegar (Minister of Finance) represents GOI on OPEC matters. Although not a professional oilman, as are other NIOC executives nor well versed in oil matters Eghbal appears to play well the role of Minister of Petroleum and seems to adequately support and defend Iran's oil interests. Fortunately Eghbal is basically a conservative, tends not go go off on tangents, and seems to be keeping in mind the role the oil companies can constructively play in Iran's future. As a good politician his loyalty however is wholly to the Shah. He is thus perhaps less willing than would be a technocrat to present agruments on an issue that might be contrary to the Shah's beliefs and/or desires.

Manuchehr Farmanfarmian: Former NIOC board member, he has been MIS role limited largely to an advisory role with little of substance. Affable and very pleasant he does not appear to be in the mainstream of NIOC thinking. Recently he was made the Chairman of SIRIP.

On the whole NIOC management personnel tend to be conservative not overly nationalistic, professional oil men who are generally competent and far more pragmatic than their middle eastern colleagues. Owing perhaps to the Iranian respect for persons in high positions middle management personnel tend to accept basic policy because of the position of those that may have formulated it rather than on its merits per se. The so-called young "Turks" are few and far between.

C.A.E. O'Brien: Consortium General Managing Director since July 1967 he is well liked and respected by his staff with whom he

maintains close and friendly working relations. Moral has undoubtedly improved since he took over as GMD. O'Brien sees himself not only as the Consortium's operating head in Iran but as well as the Consortium's representative in Iran. This latter view is not shared by London. London has as well been irked by O'Brien playing from time to time the role of a mediator rather than the blind defender of members' views. O'Brien is helpful and open with us in his discussions of Consortium affairs. He is very much aware of our legitimate interest in Consortium activities and seems to never loose sight of the practical aspects of our interests and the extent to which we can be of assistance in time of need. There is no reason to believe that were an American the GMD relations between the Embassy and the GMD would be a priori any closer than they are with O'Brien. Seconded from B.P.

Thomas M. Poagan: Deputy General Managing Director since June 1967 Poagan will be retiring in February/March 1970. O.E. Trimble from Esso Libya will replace him and is expected to arrive in Iran in early November 1969. Poagan has reportedly been closed-mouthed with all non-Consortium contacts and professes to not be aware of situations with which he is obviously familiar. Seconded from Shell.

Jan Vegeuer: Member of the Refining company's board and head of government agreement affairs he is quite knowledgeable on consortium activities. His lawyer background leads him to be unusually cautious on how he presents information. He is on the whole quite helpful. Seconded from Shell.

R. I. Palmer: Assistant General Managing Director (Technical) He is highly knowledgeable on actual oil operations. He is quite reserved but friendly and cooperative. He is outstandingly good at presenting highly technical information to laymen in laymen's language. Although considered as highly competent he is essentially a technician and this has probably held him back in promotions to positions requiring overall executive ability. Seconded from Shell.

J. R. Burchell: Assistant General Managing Director (Finance and External Affairs) he is an outgoing dynamic and imaginative person. He has a keen mind and seems to be very much on top of his job. Seconded from B.P.

R. H. Tomlinson: Financial Advisor to Burchell, he tends to be hesitant to give out what might be considered confidential information (see note below) and cough such information as he does pass on with caveats of questionnable necessity. His

accountant type formation leads him to deal in precise figures -- blacks and whites -- and avoid comment on anything that is not known for an absolute fact. Seconded from Socal.

In many cases Consortium personnel become increasingly wary of giving out any information of a policy or confidential nature as their position in the hierarchy gets farther away from the UKD. Generally the Consortium runs a tight ship and persons below the very top management level are informed of developments on a "need to know basis". It occurs that we are in possession of information not available to management immediately below the highest level and caution must be exercised in discussing policy matters with them.

Jack Slick: General Manager of Producing and Exploration (IOEPC) He is regarded as unusually competent in his field. Although outgoing in personality he is skilled in double talk. He is very pro British and contrasts strikingly with his deputy (see below) who is very pro-American. It makes a strange combination and one wonders sometimes to what extent Slick and his deputy are compatible. In my view such very pronounced pro-British and pro-American views are not necessarily the most desirable attributes of executives of a company so broadly based as the International Consortium. I have the distinct impression that moral in IOEPC has suffered significantly since these two men have assumed office. Seconded from B.P.

George W. Link: Deputy General Manager of Producing and Exploration (IOEPC), he is a dynamic, driving and competent production manager. As a deputy general manager however he seems to lack at least some of those attributes which can contribute to smooth personal relationships among his colleagues and to high moral. This is his first posting in an operation not wholly controlled by American interests. Hopefully he will be more successful in the future than he has been in the past in adapting himself to the environment of an internationally run and internationally owned corporation. He holds the American Foreign Service in low esteem and seems to resent our contacts in Tehran with the Consortium's essentially British top management. Perhaps he will feel less isolated when Trimble takes over as Deputy UKD. Seconded from Esso.

Latif Rassman-Nia: General Manager of the Refining company (IORC), he is an outstandingly good general manager. He has succeeded in gaining the loyalty, devotion and respect of his colleagues be they Iranian or non-Iranian. Hard working, dynamic and competent he is a "company" man through and through. Although he aspires to higher responsibilities he

seems to shun offers of jobs wherein political pressures would be significant.

Taghi Mossadeghi: Managing Director since May of the National Iranian Gas Company and since its inception of the Ahwaz Pipe Mill Company, he is an unusually hard driving executive. He is a very hard working and tough executive. A definite do-er and unquestionably competent who has gotten to where he is by his own endeavors. Although he has the ability to rise even higher he may not succeed as he tends to be rather outspoken in expressing his views on petroleum and related operations. For the most part his views are quite sound and fall both within his competence and the purview of his responsibilities. They are not always welcome however. Thus it is conceivable he might do better in a private organization than in a national company.

J. E. Martin: President of Pan American International Oil Company, he is quite competent, apparently very well known in international oil circles, and highly respected within his own organization. Although very amiable, forthcoming, and relaxed he leaves little question in the minds of either his visitors or subordinates as to who is in charge of Standard of Indiana's Oil interests in Iran. He is a bit of the old school in his approach to the job, i.e. "I'm the boss and I'm running the show -- if you don't like the way its being run, find a new boss but in the meantime let me run it my way."

D. B. Wilkie: Managing Director of Iran Pan American Oil Company, he was formerly Martin's deputy. A pleasing and pleasant person Wilkie seems to know his job and is generally open to detailed discussion of IPAC's affairs. He is very careful however not to intrude on the affairs of the owners. i.e. NIOC and Pan American.

Robert H. Robie: Atlantic Richfields' resident representative in Iran he was formerly Managing Director of Lavan Petroleum Company. It would be difficult to say whether this was a lateral change in responsibility or a job of lesser responsibility. A very pleasant, social, and affable person Robie is quite active in American community affairs. Businesswise he has been consistently unwilling to disclose companies affairs even when major problems arise - to any and all Embassy officials. Rarely, if ever, have I gotten any substantive information from him that was not known to me from other sources. This is indeed regrettable as his colleagues representatives (the three other foreign partners in LAPCO), his superiors from New York, and LAPCO's Managing Director have all been most helpful and cooperative in this regard.

Norman Dietzel: LAPCO's Managing Director since August 1968. He is a competent operations man. Forthright and direct he is more than willing to assist in whatever way he can. He does defer to Robie on non-operational matters (I suspect Robie is jealous of his perogatives) when Robie is in Tehran.

ECON:RLDowell:cd:8/23/69

CONFIDENTIAL

DISTRIBUTION:

PROTO (3)
ECON (3)
POL (3)
Khorramshahr
NEA/IRN
E/FSE
McGrath, London

File Appropriate Bios.

CONFIDENTIAL

MEMORANDUM FOR THE RECORD Date: November 26, 1969

SUBJECT: Some Bio Notes for Mr. Toussaint

The helpful memo which Martin Herz left contains information that is largely still valid concerning the Iranian contacts on whom he commented. Hopefully, you will find the following additional notes of some help.

THE FOREIGN OFFICE

Unfortunately, many Iranian Foreign Service officers seem loathe or insufficiently informed to have meaningful informal exchanges concerning the areas of their assignment. The following are somewhat the exceptions:

(1) Ez-ed-Din KAZEMI, Chief of the Legal and Treaties Division. Kazemi is "Mr. Continuity" in the Foreign Office, well-versed in virtually all matters requiring formal Iranian action. In spite of his decidedly questionable political attitude in the past, he is greatly relied on by Foreign Office senior officials including the Foreign Minister. Distinctly a nationalist, he can be helpful on matters of concern to us involving the legal aspects and is reasonably forthcoming in discussions if there is clearly no adverse angle for Iran. He has a charming wife, and smaller social affairs are most appropriate.

(2) Jaffar NADIM, Supervisor International Organizations Division, thoroughly informed on matters coming before international organizations and most helpful and cooperative. He is one person whom as I leave I think I should have known better. I believe discussion of the Iranian political scene and Iranian political problems might have been possible with him. A first-class bridge player. A lovely wife. The Nadims would be both delightful and useful acquaintances.

(3) Ahmad TEHRANI, Supervisor (7th - Far East) Political Division. Ahmad is very close to Zahedi, having served with him in London for several years. He is still called on by the Foreign Minister to do chores unrelated to his direct area of assignment. He likes to have "confidential" talks and to appear in on the know, hence he is a pretty good source for what's going on inside the Foreign Office, and perhaps concerning Zahedi's political ambitions. For the same reasons, it is well to be discreet in conversation with him. He is a lawyer by training and well-disposed towards the United States.

GROUP 3
Downgraded at 12-year intervals,
not automatically declassified.

CONFIDENTIAL

(4) Fereidun ZAND-FARD, Supervisor (9th Political Division - Persian Gulf). Charlie McCaskill has good working relations with Zand-Fard. He is very well-informed on Persian Gulf affairs and, though discreet, is helpful, honest, and reasonably forthcoming in discussing Iran's attitudes and actions in that area.

(5) Sadeq SADRIEH, Supervisor, Fifth Political Division (South Asia and Non-Arab Middle East). Sadrieh is an attractive personality, helpful in discussions of Iranian relations with Afghanistan, India, and Pakistan, is well-disposed towards the United States. He will be responsive to invitations to social affairs.

MAJLIS

(1) Senator Mohamad SAIDI. Senator Saidi is interested in politics both domestic and foreign. He is well-connected and well-informed on Iranian political attitudes and actions; he is one of the few sources who gives a good idea of the attitudes of known westernized Iranians. He likes to talk about international relations in their broadest aspect. Both he and his wife (who is a member of the Majlis and a poetess) speak French. They prefer very small social affairs, not more than six to eight guests, although they will attend receptions. I have told him that I would suggest that you get in touch with him soon after your arrival. If your French is good, it would be well worth it. If not, you might want to team up with John Rouse in developing his acquaintance.

(2) Jafar SHARIF-EMAMI, President of the Senate. See especially Martin Herz's notes. I know Sharif-Emami would be pleased if you called on him and happy to see you fairly regularly on infrequent basis, perhaps once a month. (I spoke to him in this vein and he responded most positively.) Though not in the technocrats' circle he is still well-connected and well-informed.

(3) Mohamad Ali RASHTI. A good friend of mine from VOA days where we worked in the early 1950s. Ali is reasonably well-informed on Iran-Novin party developments though one has to be careful to sift out the element of his own interests. Ali is well-informed and helpful on developments in the Majlis and can on occasion give insights into broader political developments. His wife Julie teaches at American School and both would welcome any overtures.

(4) Dr. Mahmoud ZIAI. Chairman of the Majlis Foreign Relations Committee, Mahmoud will be gently helpful. He is a better source for the general feel of things Persian than for harder information on current developments. His wife Ozra holds a responsible position in

the Ministry of Housing and Development, is one of the most prominent Iranian women in public affairs, is well-informed on village life in Iran, particularly its social aspects, and apparently enjoys a considerable measure of the Queen's confidence.

(5) Bahman SHAHANDEH. A DPA correspondent as well as Majlis member, Bahman is from time to time informed on current developments and rather forthcoming in discussing them. He has a younger journalist brother who might be worth John Rouse' cultivating.

JOURNALISTS

(1) Parviz RAEIN, AP correspondent, is a most pleasant acquaintance, often reasonably well-informed and forthcoming in discussion. Foreign Minister Zahedi apparently has some confidence in him and speaks rather frankly with him. He is at the same time one of the better sources and a very pleasant associate.

(2) Javad DAVALOU, Le Monde correspondent. Javad has become increasingly active and interested in Iranian political matters lately and I believe is well worth cultivating. He has strong opinions and is inclined to be authoritative in his pronouncements. He is certainly a good tipster and may be a better source than that.

(3) Darius HOMAYUN, Editor of Ayandegan newspaper. See his bio file. Darius' nationalistic feeling is resurging. However, he is quite intelligent, well-informed, and will be glad to make your acquaintance and to talk with you from time to time. I usually saw him at lunch. His newspaper is government-supported and some accuse him of having sold out to the establishment. I think he is more independent than this and well worth your knowing.

(4) A. S. BAKHASH, a correspondent of Kayhan International. One of the few good journalists in Iran and a most delightful person to know. His wife is also a correspondent for that newspaper. Bakhash is in London for several months but you should pick him up when he returns and get to know him and his wife.

(5) Jehangir BEHRUZ (Echo of Iran) and Yussuf (Joe) MAZANDI (UP and Iran Tribune). Both are well-connected and reasonably well-informed. I never felt I could trust either of them and by and large avoided substantive conversation with them.

MINISTRY OF COURT

We should keep trying to develop a reasonably good source at the Ministry of Court. John Rouse and I have spoken of this and you will want to discuss with him a useful approach.

See Martin Herz's comments on Abdol Reza ANSARI. He is now sort of Executive Deputy to Princess Ashraf. His political status is still rather sensitive since he was ousted as Minister of Interior early this year and stayed jobless for several months. He is still close to Finance Minister Jamshid Amuzegar. With deliberate handling you might still find it possible to develop his acquaintance though it would probably be wise not to contact him too often.

OTHERS

You won't find it easy to have meaningful conversations about political matters more basic than the current personalities scramble and contemporary developments. Here are some persons whom you will find it interesting to know and talk to. All I consider friends.

(1) Cyrus GHANI - well-known to the Embassy, deep interest and encyclopedic knowledge of American politics. Though now more closely associated with the establishment Cyrus still knows what's going on politically in Iran. If you try to develop his acquaintance, take note of Martin Herz's comment that he wants to be in on the know and is not much interested in largely platitudinous exchanges. In case you are interested, he is a good tennis player.

(2) Fereidun MAHDAVI, Deputy Director of the IMDBI. Formerly closely associated with the Nationalist Front, Fereidun is now heavily engaged in his work and much interested in Iran's economic progress, particularly in the private sector. Nonetheless, he is interested in the political affairs and, though a bit given to an overly analytical approach, he is one of the most perceptive political creatures in Iran. I lunch with him from time to time. You will have to be reasonably deliberate and cautious in developing his association and confidence. Speaks good German as well as English.

(3) Reza MOGHADAM, Deputy Director of the Plan Organization, he and his wife are a delightful couple to know. He has been so busy that I have not seen much of him. But as much politics revolves around things economic, Reza has some distinct ideas as to how the Iranian economy should be organized and directed (with emphasis on the Plan Organization). I believe it would merit your making some effort to get to know him.

(4) Reza AMIN, Chancellor of Arya Mehr University, formerly Deputy Director of the IMDBI. Reza is making a success story of one university in Iran. With his background and continuing connections he is in a position to observe perceptively developments not only in the educational field but in the economic area. He has an American wife Wanda. You will enjoy knowing them.

(5) Ahmad QORESHI, Political Science Faculty, National University and a member of the Community School Board. Ahmad is an interesting and perceptive political observer, conservative in his politics, sharp in his political judgments. He knows the temper, attitudes, and interests of students at National University and these may have political relevance at some time.

(6) Mrs. Bahman (Parvin) AMINI. Probably Iran's leading statistician now working in the Ministry of Agricultural Products and Consumer Goods. Parvin is inclined to be acerbic in her evaluation of the economic and managerial competence of most Iranian associates including the most highly placed. But she does know much of what is going on in the economy particularly in matters affecting agricultural products both as they relate to the countryside and to the urban population. Her husband is Dean of Students at National University and they are both pleasant and useful to know.

(7) Majid MAJIDI, Minister of Labor. With a deep background of experience in the Plan Organization, the Budget Bureau, and as Minister of Agricultural Products and Consumer Goods, Majid has moved with energy and with discretion to activate the Ministry of Labor. He will discuss his plans and problems with reasonable frankness. You will want to cultivate him to backstop John Rouse in developing contacts in that Ministry. Majid's wife is Iran's leading diva and this may be as good an avenue of approach as any, though her musical talents are not regarded with undiluted enthusiasm by the local cognoscente.

(8) Mohied-Din NABAVI-NURI. Formerly with the Foreign Ministry, now privately practicing law. Nabavi is fascinated by the need for and the vague possibility of developing some political organization which would better convey the concerns and views of the politically informed Iranian. He thinks the present system has dangers for the Shah to whom he is loyal. He is also still a keen observer of Iran's international problems and relations. I saw him at lunch occasionally and included him in smaller social affairs. You will find him both a delightful acquaintance and a useful contact.

(9) Hossein NASR, Iran's leading Islamic scholar and the Dean of the large Faculty of Arts and Letters at Tehran University. A prodigious and impressive scholar, Hossein is interested in revivifying and developing a modern application of Islam to Iranian social life. Doubtful of the benefits of uncritical modernization, he has distinct ideas about the direction of Iranian social and cultural development and the breadth of his views gives these political significance. Hossein is a very busy man and probably goes out socially mainly to please his lovely and delightful wife Suzanne. They are devout Muslims and smaller affairs are preferable. Hossein likes to expound on his own views and outlooks and the conversations with him will provide immense background and insight into Iran.

(10) Parviz RADJI. Parviz is somewhere between a Staff Aide and Chef de Cabinet to Prime Minister Hoveyda. In this position he can be and frequently is most helpful. Basically rather critical of established political power anywhere, Parviz is discreet, but not closemouthed about discussing the Prime Minister's outlook, approach, or objectives. Probably Tehran's most popular bachelor, he is a distinct addition to any social affair.

POL:JAArmitage:ss CONFIDENTIAL

Dear Steve,

Since there will be no overlap between us, I am preparing the following very informal notes and suggestions for you which should be of some assistance in taking over the Civil Air job. As I mentioned before, your will be the best cover job in the Embassy and also you will be in touch with some of the most congenial, friendly, forthcoming people in Tehrah. You will also get the chance to meet with some very nice people in the U.S. community here.

I am going to list, in order, the most important people whom you should meet and describe what my relationship had been and what yours will probably be. I will also try to provide some appropriate background on each to assist you.

A. A. Houshang Arbabi - Director General of Civil Aviation and Deputy Minister of Roads (this title may change in the near future due to the imminent creation of a Ministry of Transportation). Arbabi is first and foremost a wonderful, pro american, skilled, and energetic Civil Aviation Director. He has been the Director of CIVAIR since the creation of the Department in the early 1950s. Arbabi is very much a family man and he is very close to his wife, a Shirazi of some talent and beauty. He has a daughter, Shahla, an artist of whom he is very proud. She won the first prize in art competition in Italy and she is now teaching art at the Tehran Univ. He also has a son studying in England but who will soon leave for the U.S. for advanced studies. Arbabi will be your principal point of contact on all matters affecting the bi-lateral negotations and bi-lateral agreements of Civil aviation between our two countries. You will find him forthcoming, helpful, and suggestive of ways to iron out problems. He will also tell you of his problems and of how the aviation picture here is really controlled by a Mafia, from KOLANTHEN/1 on down. He is a bit bitter about this, since he is an hon st man and has not joined in with the Mafia to make a quick buck. The only outstanding problem at this time is an ongoing effort to collect from Arbabi some $47,000 which his department owes to the FAA. I hope to settle this before you arrive, but if not, good luck. Arbabi

most probably knows of my JKLANCE affiliation but has never mentioned it to me, nor have I mentioned it to him. His office is on the second floor of the main terminal at Menrabad. Call him for all important clearances or when there are problems which cannot be solved at a lower level of the DGCA.

B. Jaffar Abolmali - Deputy Director of DGCA for Administration. A hell of a nice guy and most probably Arbabi's successor. He can get things done over the telephone which would take a week's paper work. I have recommended him for a trainee grant in the U.S. when he has time to get away. He is pro-american and very pro-Pan AM although he does not openly show this bias. Relations with him have been excellent and when Arbabi is away, he is the man to go to with problems.

DGCA

C. Dr. Ghaheri - Deputy Director for Technical Affairs of DGCA. Your dealings with him will be minimal but when you call on him, let him know that you are the point of contact for his problems relating to certificating and certifying plus an intermediary to the FAA. He is a fluent speaker of English, is well disposed to the U.S. and is an accomplished pilot.

DGCA

D. Mr. Qudsi - Legal Director of DGCA - Man to call on all routine clearances, which are followed up by a confirming letter. He is helpful, agreeable, and a nice social contact. We will probably be seeing more of him after the agreement expires in August.

DGCA

E. Lt. General Ali Khademi - Managing Director of IRANAIR - a great character and a hell of a hard worker. We have had a relationship with Khademi since the days of Project ROCKOIL, when JKLANCE owned the greater portion of Iranair. He knows of my JKLANCE affiliation and once had a close relationship with Quackenbush. Dealings with him are primarily [illegible] and reportage. He loves to talk and to brief people on his [illegible]. He is a tough customer when it comes to giving an inch of [illegible] prerogatives away. He is responsible for the cancelling of the [illegible] even though he still employs Pan Am people in his company. He is aggressive, social, and somewhat of an egotist. However, he is proud [illegible] accomplishments and rightfully so. The General is a busy [illegible] to get to, however he is very personable when called

IRANAIR AIR MAFIA

upon. He has a charming wife and they have two sons studying in the U.S. Khademi is well known in international aviation circles and he frequently hosts visits of other world leaders in the aviation field. He is a friend of Juan Trippe of Pan Am who comes to Iran frequently.

F. Captain Lou Lindsey - Chief of the Pan Am training group under contract to Iranair. This was a former AID project which was picked up by the airline when AID phased out. Lou is probably the most knowledgeable of all the aviation people here. He knows what is going on, why, and how. He will confide in you but he expects to be fully protected. He is helpful on sales problems and reportage. Get to know Lou socially as well as professionally.

IRANAIR PANAM

G. Captain Bernie Egland - Chief Pilot of Iranair and member of Lou's team. He always flys the Shah and is considered one of the best pilots with Pan Am. He will be on your back quite often for FAA support to the airline, but he won't be too upset when you sometimes have to say No. Bernie is in the operations side so is absent a lot from Town. He is very sociable, has a wonderful wife, Dagmar, and is a good contact.

IRANAIR PANAM

H. Marion (Speed) Deutsch - Operations Manager of Iranair. A member of the Pan Am group. He is the backbone of the operations of Iranair. A knowledgeable and venerable member of the aviation world. He is a good social contact, a friendly and sympathetic person, married to a wonderful gal, Hope, who is employed full time by Philco-Ford. Hope and Speed have one son around whom their life revolves. Meet them and get to know them. They are helpful and entertaining people who can social broker for you.

IRANAIR PANAM

I. Robert (Bob) Roberts - maintenance chief of Iranair. A member of the Pan Am group. Highly skilled professional, no nonsense type of person who can be very helpful to you and who will also be calling on you for help from time to time. He has a wide range of friends and contacts in Tehran and is probably closer to the Iranians than anyone else in the Pan Am group. A likeable couple, you will enjoy these people.

PANAM

J. Jack Ditto - Manager of Pan Am in Iran (encrypted in Project HOKITTY). A nice, retiring, non-energetic type who has been in Iran too long and who is getting stale in his job. He will probably be more involved in the hotel end of the business for the next few months. He has managed

to antogonize a good portion of the U.S. business community here in Iran and as a result has lost a lot of business to foreign carriers. WARNING: his wife is a first class bitch, she has a mental problem of some sort with a proclivity to be a kleptomaniac. The Dittos never entertain in their home for fear one of the guests might spot something Bernice had taken from their home. She is also a consumate rumor monger and nothing should ever be said near her which is not for publication. Jack will probably be moving along shortly to browner pastures.

K. Al Klamm - airport manager for Pan Am - a helpful soul who is also a real professional. His office at the airport is the source of all sorts of little gems like manifests, new airport regulations, new personnel, etc. He will gladly dig into his records for you and be helpful in any way he can. Al and his wife spent their last tours in Bangkok and Alaska and intend to retire sometime soon and go back to Alaska. They particularly liked Fairbanks. A useful and productive contact.

L. Hassan Zanganeh - Chief of Air Taxi. An approachable and helpful senior Persian citizen who heads up a charter service. Zanganeh has very good ties in the upper strata of Iran and [redacted] is married to the former wife of one of the Princes. He is helpful and easily approachable and you should call on him within a few weeks of your arrival.. His wife was recently involved in a serious auto accident which may leave her totally blind. He is very sensitve about this.

M. Alek Nicholas - local chief of TWA - a hell of a nice guy who most probably is an Iraqi Jew. He has been in Iran for about twenty five years. Is well connected in all strata of the Iranian community. His profits are few in number but he will make a good social contact for you plus serving as a social broker. His office is on Takht Jamshid opposite Iran Super.

N. General Ali Rafaat - Managing Director of Pars Air and Director of the Flying Club - a hell of a nice man to know. Well connected through marriage into the royal family. A member of the local aviation Mafia. Subservient to Khademi and a crony of all aviation types in Iran. Pars Air is a second level carrier which is just getting started in Mexico. May possibly grow into a decent airline in time. You should call on him.

O. Leonard S. Dwor - better known as Lenny - regional Civil Air Attache based in Beirut. A sharp, overly thyroid type who comes to Iran at least once a year on calls. He will keep you bouncing all of the time he is here. I use his presence in Iran to give my annual airline get-together to which I try and invite all of the senior aviation people. Lenny loves it and comes back for more. He will have made his annual trip before you arrive (in May I believe) so you will be spared the physical shock for at least one year, maybe. Lenny has been directly responsible for the sale of over one billion dollars worth of aircraft during the past five years. His manner may put you off at first, but he really knows his business. He also knows all of the leading characters in the game locally.

P. The FAA office in Beirut - this is a constntly changing cast of characters who pop in and out of Iran regularly. They are all professionals and rarely bother you except for reservations, telephone numbers, background briefings, ett. They are your immediate point of contact on any problems affecting FAA business. They are the [redacted] referent for you on any questions or forms, etc produced or affecting FAA.

Q. The Federal Aviation Special Group (FASG) - this is a group of five or six FAA specialists under contract to the Dept. of Defense to complete Project Peace Eagle (installation of TACANs) at Iranian military airports. You will not see them too much unless they have a problem. They are headed up by Fred Hartquist (in the phone book) and are usually out of town at the sites. A nice gang who won't botar you too much.

R. Jeff Kitchen - head of Northrup-Page in Iran. A good contact, ex-Foreign Service Officer. He deals mostly with Econ Counselor but is first class citizen.

S. Sonny Pitts - Northrup Corp. mostly interested in F-5 aircraft in Iranian air force but also pushing on the commercial side. A nice guy who drinks too much but who has been extremely effective for Northrup.

The Iranian Aviation Mafia

The so-called mafia in Iran is headed by ROLANTERN/1 who was given this power by the Shah. Since ROLANTERN/1 is a member of the Shah's family, is the man responsible for flying the Shah out of the country during the Mossedeq days, and as a man who has dedicated his life to the Shah, the Shah is now repaying him. This takes the form of the following jobs: A. Commanding General of the Air Force B. Chairman of the Board of Iranair; C. Silent owner of Air Taxi; D. Silent partner in Iranian Helicopters Inc.; Silent partner in Pars Air; and silent partner in Iran Aircraft Industries. ROLANTERN/1 has veto power over all aviation activities in Iran. In addition, he is Chairman of the High Aviation Council of Iran which makes the laws and determines the penalties.

Number two man in the mafia is Abol Fath MAHVI, a member of the Diba family (family of the Queen) and closely associated with the Shah. Mahvi has a villa in Switzerland next doo to the Shah. Mahvi is associated with the Pan American Oil Company, from whence the majority of his money comes. He is the unofficial representative of Boeing Air craft Corp (sales to Iran of four Boeing 72Ø, two Boeing 707 and three Boeing 737 aircraft for a tatal of over 65 million dollars); he has recently been appointed agent of General Electric Jet Engines in Iran; he has recently been appointed representative of Allison engines in Iran; he owns Iran Helicopters; has a share of Air Taxi; and is one of the main stockholders in Iran Aircraft Industries. He has his fingers in many other pies. Forget to say he is in Pars Air also.

Number three man is Lt. General Ali M. Khademi, Managing Director of Iranair, who though he lacks a lot of money, has the knowledge and expertise to advise the others on what and how to do things. He is in Iranair, Pars Air, and Iran Aircraft Industries.

Number four if General Ali Asghar Rafaat, Director of the Iranian Flying Club (a lucrative role), Chairman of Pars Air; former Deputy Director of Iranair, and involved with Iran Aircraft Industries.

Iran Aircraft Industries

This company was formed in 1970 as a partnership between Iranian private investors (51%) and Northrup-Page (49%). Initially, the Israelis were in on the deal, but when I found out about this, plus the fact that the Israelies could scrag the deal between Iran and Saudi Arabia for joint air force and airline maintenance, I informed the Ambassador. We had at first supported AVCO (an American company) but they were unwilling to ante up the necessary amount of money, so Northrup entered the deal.

Iran Aircraft Industries (IAI) known locally as IASA, is basically an overhaul outfit designed to be a Major Depot Maintenance center. At first the facility will overhaul Iranian air force aircraft; later it will overhaul and maintain Iranair aircraft; then through contractural-political arrangements it will handle maintenance for the Royal Saudi Arabian Air Force and Saudi Airlines; the Kuwaiti Airlines; and possibly Ariana Airlines of Afghanistan. In short this is a gold mine and the Mafia is right in the middle. For example, the capital raised by the Iranians ($1%) consists of the land on which the facility is to be built at Mehrabad Airport (cost them nothing, they got it from the Shah as a grant) Northrup has to put up all the money and take only 49% of the profits. Northrup could care less, they will still turn a pretty penny.

Israelis are still mad as hell at the Embassy and at Doug MacArthur for scragging their deal but in politics in this area of the world, he who gets the deal has justified the means.

Protocol Calls

During the first few weeks of your tour, you should call on:

Houshang Arbabi, DirGen DGCA at Mehrabad Airport.

Jaffar Abolmali, Deputy DirGen at Mehrabad

Dr. Ghaheri, Deputy Director DGCA at Mehrabad

General Khademi, Iranair, Villa Avenue

General Ali Rafaat, Pars Air on Shah Avenue near the University

Dr. Izzeddin Kazemi, Director of Legal Affairs Dept. , Ministry of Foreign Affairs.

For later calls:

Captain Lou Lindsey, Iranair

Al Klamm at Mehrabad Airport (Pan Am)

Hassan Zanganeh, Air Taxi at Mehrabad

Jack Ditto of Pan Am

27 April 1971

Memorandum for the Ambassador

SUBJECT: The Iranian Aviation Mafia

The so-called Iranian Aviation Mafia was created in 1963 with the founding of Iran National Airlines Corporation (IRANAIR). At that time the Shah called upon General Muhammad Khatemi, Commanding General of the IIAF, to create a body of civil aviation law which would assist in the rapid development of Iranian civil aviation. General Khatemi then formed the High Aviation Council, a legal body consisting of ten members selected from various ministries and from IRANAIR, to codify civil aviation regulations and establish legal precedents for civil air operation in Iran. General Khatemi was elected as Chairman of the council as well as appointed by the Shah as President of Iranair.

The following are members of the aviation Mafia:

A. General Muhammad Khatemi, Commanding General IIAF; Chairman of the High Aviation Council; President of Iranair; part owner of Air Taxi; silent partner in Iran Helicopters; and, a silent partner in Iranian Aircraft Industries.

B. General Ali Muhammad Khademi, Managing Director of Iranair; silent partner in Air Taxi; and, silent partner in Iranian Aircraft Industries.

C. Abol Fath Mahvi, a relative of the Queen; Boeing Corporation representative; Allison Engine representative; owner of Iran Helicopters; President of Pars Airlines; and titular head of Iranian Aircraft Industries.

D. General Ali Asghar Rafaat, head of the Civil Aviation Club; Managing Director of Pars Airlines; silent partner in Air Taxi; and, silent partner in Iranian Aircraft Industries.

E. Amir Hossein Zanganeh, President of Air Taxi; AVCO representative; Aero Commander representative; Lycoming engine representative; and silent partner in Iranian Aviation Industries.

The five people listed above control all aviation activities in Iran. Even though a Directorate General of Civil Aviation exists as part of the Ministry of Roads, the function of this Directorate General is essentially to carry out instructions issued to it by the Mafia. Houshang Arbabi, the Director General

of Civil Aviation and Deputy Minister of Roads, is not a member of the High Aviation Council nor is he a member of the Mafia. Under existing laws, the Directorate General of Civil Aviation is the Iranian governmental organization charged with responsibi for negotiating civil air agreements, modifying these agreements and maintaining contact with foreign governments and airlines. The DGCA works through the Legal Department of the Foreign Ministry, Dr. Ezeddin Kazemi, for direct contact with foreign Governments. In fact, however, General Khademi, of IRANAIR, has usurped most of the power of the DGCA and in most cases deals directly with foreign governments and airlines. This has created a situation within the government which has led to considerable friction and infighting and has served to weaken the overall efficiency and control of the DGCA.

The most recent manifestation of governmental infighting came about following the appointment of Cyrus Farzaneh as the new chief of Iran National Tourist Organization (INTO). One of Farzaneh's first discoveries was that the charter policy of IRANAIR was a major reason for the failure of tourism in Iran. IRANAIR has insisted that any foreign charter arriving in Iran must pay to IRANAIR a ten percent fee of the total chart receipts. This has resulted in a total collapse of charter business into Iran. When Farzaneh attempted to change the chart regulations he ran into a beehive of opposition from General Khademi and IRANAIR officials. However, Farzaneh did receive approving murmers from the DGCA. In presenting his first report to the Shah, Farzaneh mentioned the charter problem and stated that the law must be changed if tourism was to improve. The Shah "ordered" the DGCA to change the law to which the DGCA responded incredulously that IRANAIR was not empowered to make law and that it was the responsibility of the DGCA to establish Iranian aviation policy. The battle still rages with General Khademi attempting to sidetrack Farzaneh and to prevent the DGCA from changing the charter regulations. Thus far there has been no change in charter policy.

Recently when there was mention of the creation of a Minist of Transportation, the first question asked concerned the eventu location of the DGCA. Would it become a part of the Ministry headed by a Deputy Minister for Civil Aviation, or would it become an independent entity with its own minister? The Iranian aviation mafia quickly realized that if the DGCA became a part of a Ministry of Transportation under a strong Minister that their powers over Iranian aviation developments would be rapidly eroded. Thus the Mafia commenced a flurry of activity to play down the basic idea of creating a Ministry of Transportation.

Houshang Arbabi was approached by General Khatemi of IIAF who stated that he would never report on Civil Aviation Affairs to a ministry which obviously would not be informed on aviation matters and that Arbabi should hold out for an independent Ministry or Directorate. The same approach was made to Arbabi by Khademi of IRANAIR and by Zanganeh of Air Taxi. Arbabi commented that he is now something of a Cinderella with all of the Mafia calling with their slippers. As a result of Mafia pressure, movement towards the establishment of a new Ministry is at a standstill.

As an example of the current infighting, there is a rumor around that Farzaneh has tried to get a piece of the Sheraton Hotel business in Iran. This rumor reached Khademi who immediately contacted the Chairman of the Board of Sheraton to determine if the rumor was true. We do not know the outcome of Khademi's inquiries, but if the rumor is confirmed, Khademi will have gained the ammunition he needs to neutralize Farzaneh.

Obviously, the entire mess is going to have to be settled by the Shah. It is up to the Shah to determine whether his Directorate General of Civil Aviation is to run civil aviation in Iran or whether the vested interests of IRANAIR will continue to make policy. The Shah must also decide whether or not his brother-in-law, General Khatemi of the IIAF, has made enough money from his various aviation activities to rest on his laurels and money-bags, or whether Khatemi should continue to actually control aviation in Iran. The Shah is aware of what is going on; one wonders how much longer he will permit it to continue.

H A Ferguson Jr.

Herbert A. Ferguson, Jr.
Civil Aviation Officer

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

CONFIDENTIAL

Memorandum

TO : DCM: MR. MIKLOS
THROUGH: COMM: MR. ELLSWORTH
ECON: David R. Patterson

DATE: April 29, 1974

FROM :

SUBJECT: Fifteen Best Contacts

1. Bahram Chubin and Dr. Parviz Mina. I was introduced to Mr. Chubin by my predecessor. He works for Dr. Mina and also sometimes for Drs. Fallah and Eghbal, in a staff aide - speechwriter capacity. He is an excellent source on personalities and conflicts -- in fact, is the only member of NIOC who will discuss such matters with me. Through him I have occasional access to his boss, Dr. Mina, who will sometimes give me glimpses into one side's view of oil policy issues and who has authorized his statistical department to provide very useful production and income statistics to me.

2. Dr. Mostapha Mansouri, Director General for Petroleum of the Ministry of Finance. I also met Dr. Mansouri through my predecessor. He is the only man I can talk to about Iran's position in OPEC. He is friendly and pleasant, but extremely discrete, and will only occasionally give hints of things to come. Usually, he is a faithful proponent of the official line, which of course is very useful.

3. E. N. Tomlinson, number 2 financial man in OSCO. I see Mr. Tomlinson rarely. He provides (under the table) OSCO monthly reports on exploration, development, production and exports. These are vital, so I don't embarrass him by maintaining close personal contact. He will be leaving in a year or so, and I will have to try to find another way to obtain these from OSCO or NIOC.

4. Mohsen Shirazi, Head of Project Planning, NIGC. I obtained Mr. Shirazi's name from Drysdale of Kalingas and called on him, because I needed one authoritative source from whom I could get information on gas and gas projects and with whom I could check out information on these subjects obtained elsewhere.

5. Mr. A. Farid, Head of Statistics, Oil Studies and Petroleum Districts Affairs, NIOC. I called on Farid because I need access to NIOC statistics on oil and gas. I obtained Dr. Mina's authorization to Farid to give me statistics rather freely, and since then have obtained from Farid numerous statistical tables, maps, etc. What information I have been able to get on the bidding for exploration rights in new areas has also come from Mr. Farid.

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

6. Roger Varian and Burt Willman, Consortium Representative and Deputy representative respectively. These two are the Consortium in Iran. We talk frequently on a range of issues including prices, government/Consortium relations, reserves, liftings matters, projects, gas and so on.

7. Dr. Hosseinali Hajarizadeh, Chief of Engineering, Projects and Planning, NPC. I called on him to meet him and develop a relationship, and now have called on him several times. He has been most helpful in providing information on petrochemical plants and plans. He is rather Japanese-oriented, and gives interesting lectures on what U.S. petrochemical firms do wrong in Iran.

8. Ernie Bush, Representative of ARCO, which has interests in Lavan Petroleum (LAPCO) and Iran Offshore Petroleum Co. (IROPCO). I talk with him on matters of the joint venture companies' government relations, production and plans. I must admit that I have been unable, for lack of time, to maintain the closeness of contact with Ernie and his counterparts (Jack Hamilton and Jack Montgomery of AMOC, Bill Clemmons of Sun Oil, Bob Clark of Union Oil and Bill Belknap of Phillips) that I would like. As a result, some of them feel a bit ignored by the Embassy.

9. Nessim Shallon, UNDP Resident Representative. Through Mr. Shallon and his staff I attempt to follow UNDP affairs. UNDP reporting is one of my responsibilities, also inadequately fulfilled. On this I also deal with Mrs. Nahvi, Coordinator of Technical Assistance, MFA.

10. Rodger Drysdale, who is leaving for good today or tomorrow, has been one of my best sources on gas projects. As ISC (International Systems and Controls) representative here, he has been managing the Kalingas project and a paper mill/forest development project in the Caspian area. I hope to be able to continue close contact with his predecessor, whenever he arrives.

11. Messrs. Kawamura and Okada, of Mitsubishi Petroleum, who originally came to call on me. They were involved in the Japanese 500,000 B/D refinery project and have provided information on developments in that project and on oil sales to Japan.

12. Latif Ramazania, like Dr. Mina is an alternate member of NIOC's Board. I have called on him, in person and by telephone, to inquire about domestic refining plans and projects, to make appointments for American businessmen, and to arrange my own visit to Tehran Refinery. He and Dr. Mina are the highest-ranking people on whom I can call at NIOC.

13. Dr. Davoudzadeh - Geological Survey of Iran (GSI). Minerals reporting is another of my insufficiently covered responsibilities. I have called several times on Dr. Davoudzadeh to get minerals production statistics, to ask about minerals industries' developments and exploration programs, and to discuss a GSI request for technical assistance from the USGS.

14. Eng. Hadi Entekhabi, is in charge of foreign projects under Dr. Mina. I have on a few occasions discussed the three foreign refinery projects (Japanese, U.S. and German) with him.

15. Mobil Oil representative: This was Fred Bird, whom I used to see frequently for rather broad discussions on oil and Iran. He was replaced about two months ago by Jim Roberts, whom I have not met, but have talked to on the telephone several times. As representative of the only American major involved in joint ventures here (in INPECO, with NIOC and a Japanese group, and in HOPECO, with NIOC and Petrobras), he is a man with whom I should and shall have close contact.

ECON:DRP:ac

BIOGRAPHIC INFORMATION

SOURCE: Jim McCraw, departing Director Project Peace Shield

1. General Khatami. McCraw briefed him once and met him socially several times. Khatami is a driver and a good Chief of Staff. In his 50s, he speaks excellent English.

2. Lt. Gen. Ezari. Chief of Staff to Khatami. In his 50s, an aggressive officer who was helpful and effective in getting assistance for Project Peace Shield.

3. Lt. Gen. Fathahi. Chief of Logistics Command. In his 60s, should have been retired but obviously has influence at Court. Speaks fair English, is somewhat ineffective. Very bristly regarding Americans. Said he would not tolerate one mistake by an American advisor and sent several home.

4. Lt. Gen. Compani-Tabrizi. Commanding General, Air Training Command. In his 60s, pleasant, likes Americans, has alot of political influence through his wife who is beautiful and a member of the Tabrizi family. Makes promises readily but is not always able to keep them. Has a very weak staff.

5. Maj. Gen. Djahnbani. Deputy to Compani-Tabrizi in Air Training Command. Appears to be half Russian and rumors have it his father was Russian. A handsome playboy in his early 40s with a very beautiful wife.

6. General Tadayon. Deputy to General Khatami. In his late 50s. Was very helpful on Project Peace Shield.

7. Lt. Gen. Sanjar. Deputy Chief of Staff for Plans and Programs. In his late 60s, neutral regarding Americans.

8. Lt. Gen. Esfandiari. Retired in May 1975, reportedly because of ineffectiveness.

9. Maj. Gen. Kamyabipour. In his early 40s, was selected to replace Esfandiari as Chief of the Air Defense Command. McCraw believes he is the most effective general they have. A favorite of the Shah he is aggressive to the point of ruining his own health.

Works 7 days a week. Almost religiously dedicated to the Shah and Iran. Very fond of U.S. and very helpful.

10. Brig. Gen. Ghaderi. In his 60s and preemptorily removed from command of the Air Defense Artillery for reasons of ineffectiveness. Transferred back to the army, present fate unknown.

11. Lt. Gen. Bahram. Deputy Chief of Staff for Personnel. Friendly towards the U.S. Will promise the world but give only a cupful. Denies Iranian Air Force's most serious personnel problem---getting qualified people. Has a weak staff because he makes them so.

12. Maj. Gen. Shaffee. Deputy to General Sanjar in Plans and Programs. On his way to early retirement. Very nice person.

13. Brig. Gen. Ashari. Chief of Materiel. Aggressive, his performance suffers from a weak staff.

14. Eng. Safavi. Chief of Special Projects (Engineering). In his early 30s, U.S. trained, intelligent, could be effective. In the civil construction side of the Corps of Engineers. Has little power (no civilians do).

15. Eng. Rassoulian. Deputy Chief of Special Projects, Engineering. In his early 30s, married to an American named Renee. Did university work in Washington State and worked for awhile in bridge construction. Has little power, very intelligent and frustrated.

16. Lt. Gen. Yazanbaksh. In his late 50s, Chief of Staff for Logistics. Capable, energetic but depends on his Deputy, Brig. Gen. Naderi for decisions.

17. Brig. Gen. Naderi. Deputy to Lt. Gen. Yazanbaksh in Logistics. In his early 50s, very capable and aggressive officer. Very cooperative with the Project Peace Shield team.

18. Major Nasrattie. Logistics Command Project Officer for Peace Shield. In his late 40s, brilliant and technically well trained. Obviously weak on political influence or he would be more than a major. Would be extremely effective except for his boss, Lt. Gen. Fathehi who fails to act on his recommendations. Currently very frustrated which causes him to react negatively to good U.S. advice.

19. Captain Housein Amirriahia. Project Officer with the Deputy Chief of Staff for Plans and Programs. Going to U.S. for a Harvard MA in September 1975. Has influence through his wife whose last name is Esfandiari and is a favorite niece of retired General Esfandiari.

20. Colonel Afshar-Touse. Replaced Brig. Gen. Ghaderi as Commander of Air Defense Artillery. Was farmed out to fly 727s because of his aggressiveness but brought back as Project Peace Shield Project Manager at U.S. recommendation.

21. Brig. Gen. Dadgar. In Personnel. Handles assignments of Air Force students to the U.S. Married to an American, has two children. Entire family completely fluent at both Farsi and English.

22. Colonel Soulchanian. Commandant of the Ground-To-Air Defense School at Mehrabad South (Tehran). He is an Armenian which is why he is not a Major General now. Will probably make it to general since he is in a general officer's slot. Carries tremendous responsibility with a very poor staff.

23. Dr. Bahnia. Vice President of Multicorp. Was McCraw's landlord. A multi-millionaire married to Loda Tabrizi, sister of General Compani's wife. Represents many U.S. and European firms in the simulation field. Has a daughter 3 months old and a son named Afshaz, 5 years old. Speaks fair English. Wife was educated at Tehran University and turned down a Harvard scholarship in electronics.

POL:JDSteppel:mil

POL - Ahmad Jaffarbhoy March 28, 1976

POL - Hawthorne Mills

Duties of the Embassy Political Advisor

: Position Description, dated April 13, 1975

This memo is being written to supplement the general and specific responsibilities outlined in the Position Description for the Embassy Political Advisor job, a copy of which I believe you already have.

The section on General Responsibilities is being supplemented with the following specific duties (numbers refer to those under Section A of the Position Description):

1. I do not need to tell you that personal contacts are all important in doing your job well. You already have a wide range of friends, acquaintances, and contacts of which you make effective use. I would suggest that you compile a list of people who are knowledgeable on a variety of subjects. There are a few additional areas where you might begin to expand your contacts. One such area would be media representatives such as the Pars News Agency and the NIRTV. At the Senate and Majles you already have some contacts. I suggest that you broaden these to include people who work with various parliamentary committees and those who handle bills pending before the Parliament. The Resurgence Party offers another institution in which you should develop contacts that can be of use to us. Officers in the section already know many of the officials in the RPPI, but it would be helpful if you could cultivate some of the staff people who work for the Deputy Secretary General and some of the party committees. Keep in mind that some of the more useful contacts in all of the above institutions can be added to our No-Ruz gratuities list next year.

2. The Position Description contains in Section C some specific topics about which you are expected to give Embassy officers the political background. One of these is the RPPI. As we approach the Party Congress scheduled for this summer, you will want to provide us information about the organization of the Congress, whether foreign observers will be invited, etc. A continuing item of interest is the Shah-People Revolution. You should compile information about implementation of its various principles so that we can occasionally update our previous analysis. Under the general heading of Education Developments, we would like to know more about the specific conditions of service which are required in exchange for tuition payments by the GOI. Our understanding of university-level education would be much

enhanced by a list of existing universities and those planned for various provincial cities. The list might include the Chancellor-designate of each, what major faculties each will have, and for the new universities, the date when classes are expected to begin.

3. In following news developments on radio and television and in the press, you should continue your present activities but supplement them as follows: In addition to Kayhan, Ettela'at, Ayandegan, and Rastakhiz, you should also look regularly at Paighame-Emruz. The weekly magazine Khandaniha should also be added to your reading list. Subscriptions to both of these can be ordered through Mr. Dogmetchi. You should also look into the possibility of subscribing to the GOI's official journal (Ruzname-Shahanshahi), which contains the texts of new laws, treaties, agreements, and other official statements. If a subscription to this journal is prohibitively expensive, perhaps we can arrange to read a copy at some library or GOI office. Keep up the good work in monitoring radio news broadcasts during the working day so that we can be informed ahead of newspaper stories on current events. It will be helpful if you watch on TV and listen on radio to news broadcasts and major events during evenings and on weekends to supplement your other sources of information.

4. It was suggested in the Position Description that you should draft occasional informational reports on political topics. In the area of foreign affairs, it would be helpful if you could write a brief study summarizing Iranian attitudes toward the growing number of American technical advisors and consultants who are serving in Iran. You could mention such specific issues as public impressions of the number of Americans in Tehran and in provincial cities, ways in which their presence is noticeable, general impressions of their behavior, any public resentment against Americans and other foreigners, and other observations you feel are appropriate. In the domestic area, we would like to see a study of the Imperial Commission which supervises government expenditures and the High Council for the Eradication of Corruption. The study should outline what these two institutions have accomplished so far, how they operate, and what coordination of effort exists between them. Another interesting topic of study would be the Pahlavi Foundation. You could include a listing of its key activities and who is responsible for its administration.

It would be helpful if you could also inform us of books published in Iran which bear on Iran's foreign relations. Perhaps contact with several booksellers would enable you to call to our attention books in Farsi which we might not otherwise hear about.

I would suggest that you review the Position Description mentioned earlier. We will, of course, be open to your suggestions as to other specific duties which should be added to the list.

POL:AMBolster:mp/vlw

CONFIDENTIAL July 25, 1976

CONTACT LIST

Archie M. Bolster

The names and biographic sketches given below are arranged by functional categories for easier reference. I readily acknowledge indebtedness to the excellent contact list compiled by Larry Semakis in 1969, from which I have extracted information on some of the contacts we have shared over the years since my Tehran tour of 1963-66.

FOREIGN MINISTRY

Reza Ghassemi. This officer is undoubtedly the best informed department chief in the MFA. He not only knows the backgrounds of the countries he works on (Iraq, Saudi Arabia, Kuwait, North and South Yemen), but he also journeys with Foreign Minister Khalatbary to these countries and is directly involved in official visits by representatives from these countries. Ghassemi claims to work something like 16 to 18 hours a day, which is impressive even allowing for exaggeration. I have several times reached him after 6:00 p.m. at the office. Ghassemi is one of the few MFA officials who will on occasion give detailed information over the phone once you have established rapport with him. Ghassemi appears to be in his early 40's. He is rumored to be a SAVAK official on loan to MFA, yet he himself talks of a long career spent with the MFA. Ghassemi speaks good French and only fair English: I have handled our conversations in Persian which he finds suitable so long as we supplemt detailed points with an occasional French or English word. Although quite accessible during office hours, Ghassemi has turned down every social invitation issued to him. His direct line is 321294.

Kazem Shiva: This official stands in marked contrast to Ghassemi. Although he served in New Delhi at the same time I did, he seems to have absorbed nothing from his experience and talks about subcontinent affairs in vague generalities. He also handles relations with Turkey and Cyprus and there, too, comes across as someone ill prepared to go beyond vague policy statements on the need for cooperation and good relations. Shiva has at least two children studying in Paris, one at the School of Fine Arts.

PARLIAMENT

Assadollah Musavi. Senator Musavi is a courtly gentleman in his 60's, who represents the Ahwaz area in the Senate. He is an elected member and so far as I know generally liked and reppected by his constituents. He has been a Senator for many years and has known various Embassy officers over the past two decades. Musavi has some independent views about GOI policies and does not, like so many, simply parrot the party line. He has close ties with America, as one of his sons is a cardiac surgeon at San Jose, California. Another son is a lawyer. Musavi is an excellent person to give general insights into Iran's political system and the various impacts of American presence in Iran. Home: 74 Takhte Jamshid, telephone: 644477.

MAJLES

Holaku Rambod. Once one of the top leaders of the Mardom Party, Rambod is now a dutiful member of the Rastakhiz Party and continues to serve in the Majles from the Tavalesh constituency in the Western area of the Caspian coast. Rambod has also been very successful in business and serves as a Director of Alitalia's office in Tehran. Like Senator Musavi, Rambod speaks rather frankly about political developments and is well disposed toward Americans. His wife rarely attends social events.
Office telephone: 669811.

Mahmud Ziai. A long-time Chairman of the Majles Foreign Affairs Committee, Ziai is very active in representing Iran at various international conferences. He is a courtly man who is better at speaking about general Iranian policy lines rather than about specifics. He is very knowledgeable about the personalities who influence Iran's foreign policy and himself has a very wide range of contacts through the Mashad-based Ziai family. (He is related to Senator and Chamber of Mines and Industries President Tahir Ziai, Justice Ali Ziai, and Dr. Mohsen Ziai.) Mrs. Ozra Ziai is very active in charitable work, especially with the blind. She has close contact with Empress Farah.
Office telephone: 304411, Home: 319246

115

Shahram Chubin. A graduate of Columbia, Chubin returned to Iran with a limited knowledge of Farsi to work as an analyst at the Institute for Political and Economic Studies. All of his work is done in English and he reads very widely.. He frequently attends international conferences on strategic developments. Chubin is outspoken in criticizing some aspects of Iran's foreign policy, such as the vague proposal for an Indian Ocean Common Market. His brother Bahram is a good friend of the Embassy's Petroleum Attache, David Patterson. Shahram recently married and his wife is active in the field of International Red Cross standards on humane treatment of war victims. Office telephone: 625533.

Hesam Ghaffari. A Public Relations Officer for IOOC, Ghaffari's knowledge and contacts extend far beyond the subject of petroleum. He knows many people and is happy to help newcomers make proper contacts. He has a son in the Navy who is now spending a full year in the U.S. at various Service schools. Ghaffari speaks excellent English and is a frequent attendee at British Embassy functions. He is active in the Press Club. Home: 22 Ehteshaimeh, near Dowlat Ave., Darrous, Telephone: 241383.

Parviz Mojtahedi is in charge of training at the Industrial Development and Reconstruction Organization (IDRO) and also teaches Public Administration and Manpower Training at Tehran University. He was educated in England and still has many friends there whom he frequently travels to see on vacation. He is also in close contact with British Embassy officers. Mojtahedi's father is administrator at Alborz College, but as of this writing is in intensive care at Jam Hospital after a serious hear attack. In his official capacity, Mojtahedi frequently visits Tabriz and Iraq to check on IDRO projects. He is, therefore, rather better informed about conditions within Iran than most of his government colleagues. His wife Massie is a charming girl from Tabriz who runs a small nursery and kindergarten which teaches its students primarily in English. The Mojtahedi family is well connected, and Parviz can provide introductions to many useful contacts. Business Address: IDRO, Jam-e-Jam near NIRTV, P.O. Box 11-1718, tel: 894110, Home Address: Ehteshaimeh St., Dowlatshahi Street. #17, Darrous, Tel: 234675.

Taqi Tavakoli is Managing Director of the Sarcheshmeh Copper Company near Kerman. He comes from Tabriz where I knew him in 1961-63 as Manager of his family's match factory. After that, Tavakoli came to Tehran to head the Ministry of Economy's aluminum plant venture. Later he returned to Tabriz to manage the Czech-financed machine tool plant before he was selected by the Shah for his current post. Tavakoli attended high school in Nebraska and went on to graduate from Lincoln University He is an excellent example of an effective technocrat who is not afraid to involve himself in every detail of an operation which he supervises, nor is he reluctant to get his hands dirty when the occasion requires. Tavakoli shows some of the anti-Tehran bias known in Azerbaijan and has a jaundiced view of the effectiveness of many GOI officials with whom he works. He says he speaks frankly at some of these sessions, knowing that he has a good grasp of his own work and having no desire to work his way into Najmabadi's job as Minister of Mines and Industries. His wife is from a leading religious family of Tabriz. Business Address: No. 5 Elizabeth II Blvd., tel: 629291-5. Home telephone: 282288.

EDUCATION

Bahman Amini. A Professor at National University, Amini has also taught at Ghazali College near Qazvin, but no longer travels there three times a week to lecture as he did in 1975. Both Bahman and his wife Parvin were educated in the U.S. at the University of Maryland. He has found among his students at National both bright students who ended up working in SAVAK and other bright students who became terrorists. (Miss Aq-Ala who was killed in a safe house near Mehrabad Airport a few weeks ago was one of his students.) He, therefore, has an appreciation of some of the tensions in Iran socially and talks rather frankly about them in private conversation. On the other hand, he takes part in Rastakhiz Party affairs to the extent that this is necessary to protect his teaching position. Parvin is a highly skilled statistician at the Plan Organization who can, on occasion be quite critical of U.S. policies and who defends rather vociferously Iran's position on raising oil prices. The Aminis have two children studying in the U.S., one here, and have just adopted a baby boy they found abandoned in South Tehran.

Firuz Bahrampur is Director of Night Courses at Tehran University, having lost his position as International Relations Adviser to Chancellor Nahavandi last year. He was one of my Farsi instructors in 1960 while he was attending American University. He eventually took a Ph.D. degree there after achieving a very high academic average. Although he knows many people at Tehran University, he is somewhat reticent as a source, probably because he does not want to be tagged as an American contact. He does not appear to be well informed about relationships between Tehran University officials and the Iranian Government. His wife Fereshteh is brighter than her husband and is an accomplished biochemist at Tehran University. She complains that her research is constantly hampered by archaic administrative procedures. In short, she is probably a better informed contact on university affairs than her husband. They have a young son named Farhad. Office telephone: 929089, home: 635108.

Hamid Enayat is a Professor of Political Science at Tehran University, where he heads the Political Science Department. (He is not an economist, as stated by Semakis in his contact list.) Enayat studied in England where he married his sociologist wife Ann, and he later lectured at Sudan University in Khartoum for a couple of years. Enayat teaches an informal course on the importance of religion in Iranian politics--a course apparently organized in response to the demands of students who felt that religion was being ignored. He told me that one reason for a marked increase in student interest in religious affairs is that students have little confidence in the veracity of GOI officials and are afraid to discuss their feelings in the normal classroom situation. He believes that university students tend to have confidence in religious figures and want to see renewed attention to religion in Iranian life. These views fit in with Semakis' comment that as close friends of other National Fronters he probably is opposed to some of the Shah's methods in governing Iran and may feel that the Shah should reign but not rule.

Karim Gudarzi is scheduled to become the Deputy Chancellor of the Reza Shah Kabir University when it is fully inaugurated. Gudarzi is an agricultural-economist by background and only got into educational affairs late in his career when he headed Public Relations and Training for the Ministry of Agriculture. Over the years Gudarzi has worked closely with various American agricultural advisers and still has close contacts with several professors at Utah State University in Logan. Two daughters live there while in school Gudarzi can be extremely helpful in introducing newcomers to other Iranians. He is very well connected in Iran and seems to be secure enough to have independent views about government policies. He is quite critical of Minister Rouhani's dedication to large-scale farming, believing that the effort is misguided because it will result in large scale migration by farmers out of rural areas and into Tehran and other cities. Gudarzi is very hospitable and his wife entertains nicely, but she rarely attends Western social functions with him. Office telephone: 8772729 (sic). Home: Kucheh Sadr, Sultanatabad Road, telephone: 282811.

Cyrus Habibi. Despite the fact that he has suffered in the past from over-identification with Americans, Habibi is an excellent source of information about university developments. He is now Director of Administrative Affairs at Aryemehr Technical University. In about 1959, this son of a Norwegian-American nurse and a Kurdish father was recruited by Consul William Eagleton in Tabriz to be a contact point with Kurds in Northwest Iran. Habibi had attended Peabody College in Tennessee and could have obtained U.S. citizenship through his mother had he pursued the case when residence overseas was removed as a cause for loss of nationality in the case of naturalized Americans. Eagleton's determined efforts to meet with a wide range of Kurds put Habibi on the spot with SAVAK, and he was frequently debriefed by SAVAK agents. He resigned about 1962. For a while he taught in Tabriz and then came to Tehran where he first served as a high school principal. He is frank with Americans about the extent of student dissatisfaction in universities (see my memcon of July 1976 in his bio file.) Office telephone: 975059, home: 976683.

Mehdi Heravi is known to several Embassy officers. He is U.S.-educated and teaches politics at National University. In early 1975 he served as liaison with the American representatives at the Third Congress of the Iran Novin Party. He now takes an active role in the Rastakhiz Party. He has been working for the past year in establishing Razi University in Kermanshah which will have campuses at Ilam and Saqqez as well. A few days ago he told me he might not renew this arrangement, as he was tired of dealing with so many minor administrative matters connected with getting the university established. Another factor may be his comment that government funding for Razi and other new universities has been cut way back due to budget stringencies. Mehdi and his wife are both charming people and excellent company. He loves to discuss politics and is extremely well informed. The Heravis have a son with some sort of neurological ailment who has difficulty walking. They prefer to avoid discussing the problem and say only that they have been in England several times seeking special care for the boy and that he needs therapy.

NATIONAL FRONTERS

Dr. Hedayatollah Matin-Daftari is the grandson of National Front hero Mossedegh. At present he makes a living as a lawyer. His opposition background is well known but now generally ignored. On the other hand, he appears to be reluctant to maintain contact with the Embassy, as my efforts to follow up our chance meeting at an Indian Embassy party have come to naught. (He expressed willingness to meet, but every time I called there was some reason why it would not be possible just at the time I suggested.) Matin Daftari has had his share of interrogations and torture which, in part, accounts for his anti-regime views, but like so many Iranians he has been able to reach a comfortable accommodation to the existing power structure. Although his wife Mariam shares many of her husband's anti-regime views, she has become more socially-acceptable over the years and is now frequently referred to in the society columns.
Home telephone: 311648.

Rahmatollah Moqaddam is by contrast to Matin Daftari an unreconstructed National Fronter. He supports former Prime Minister Ali Amini and sees the gentleman frequently. Moqaddam believes the Shah should reign and not rule, and he is highly critical of the regime in private conversations. On the other hand, he works for a consultant firm as an expert on irrigation and other agricultural matters, and this firm often works on contracts for the Ministry of Agriculture. His wife Amirdokht is distantly related to Court Minister Alam, which may help to protect him somewhat even though she fully shares his political views. Moqaddam will go on at great lengths to criticize the U.S. for returning the Shah to power in 1953 and for supporting him since then--an obsession which should not obscure his value in providing anti-regime perspective on Iran. He once served as Majles Deputy from Maragheh, but was prevented from becoming a candidate in the elections of June 1975. When his application was rejected, Moqaddam filed suit against Minister of Interior Amouzegar in Tehran on grounds that he had been illegally prevented from becoming a candidate. (His argument was that the Iranian Constitution places no limitation on a citizen's right to be a candidate for public office.) He is convinced that he was excluded because of his pro-National Fronter background. He may be assocaited with the Radical Front opposition group, as he recently gave me one of their flyers. He speaks adequate English and fluent French, bur George Cave and I have usually carried on our contacts with him in Persian. His older son Nader is a first year student at the University of Southern California. The Moqaddams also have a young son of about 12. Home address: 289 Pahlavi Blvd. (MirDamed) near Naft Street, Tel: 221937. Office telephone: 834232

RELIGIOUS

Ayatollah Qotsi. This name is included only because I maintained contact with Qotsi during my 1963-66 tour in Tehran. I have not seen him during my current two-year tour, but if the Embassy decided to renew some discreet contacts with the clergy, he would be an excellent prospect. For further background on Qotsi, see Larry Semakis's contact list.

PRESS

Jahingir Behrooz is the publisher of various Echo of Iran publications. He also serves as Director of foreign publicity for Iran Air. Behrooz can be very frank in private conversations but whenever more than two people are involved, he tends to do a lot of posturing and is very careful how he answers any questions. Behrooz is a perfect example of how Iranians manage to be flexible enough to relate to persons of various persuasions and yet generally stay out of trouble. In his case, his firm occasionally has been closed down in the past for printing rumors critical of the government and even of the Royal family.

Parviz Raein is extremely well suited for his job as the local Associated Press stringer for Time-Life publications. He knows a wide range of people and always carries a full cargo of the latest rumors and inside stories, even though one does have to be on guard for frequent exaggeration. This latter drawback is, in my view, far outweighed by his openness in passing on so much information from such good sources. Office telephones: 627376, 624275. Home: #7 Fifth Street off Park Avenue (Vozara) not far from IAS.

Mahmud Tolui is a former Deputy from Mianeh. Tolui is now working only as editor of a magazine on international affairs called Massael-e-Jahan (World Affairs). Tolui has a newspaper and magazine background, having worked for some years as foreign affairs editor of Khandaniha magazine, but he left that publication in 1966 after disagreeing with editor Amirani over editorial policy. After a few years in the Ministry of Finance working on tax matters, Tolui served as Majles Deputy from Mianeh from 1971-75. He appears to have been a conscientious Deputy who made frequent trips to his constituency. He was, therefore, somewhat bitter at being excluded from candidacy in 1975, and perhaps for this reason turned down an offer to write permanently on foreign affairs for the Rastakhiz paper. (He had written extensively on foreign affairs for the Iran Novin Party paper.) Tolui reads and understands English well, but has difficulty conversing. He speaks fluent French. His wife is also not proficient in English and is somewhat uncomfortable at English-language social affairs. It would be best to carry on conversations with both Toluis in Persian. Tolui has told me in confidence (please protect) that he is fed up with the uncertainties of life in Iran and may try to immigrate to the U.S.
Home address: #46 Nasrin St., off Kamranieh, above Dowlat St., telephone: 283409.

LABOR

Hassan Baqai is a labor consultant for various large Iranian companies. He formerly worked in the Ministry of Labor and is very knowledgeable in his field. I met him through Mahmud Tolui. Although he knows enough English to use some of the technical terms common to his field, his English is not adequate for most conversations and Persian should be used. Baqai is related to the old oppositionist who heads the Hezb-e-Zahmatkeshan (Strugglers' Party). He has no ties to that group, but has a sympathetic view of those who question how the country is being run. Office telephone: 839775-6.

USIS

Mokhadareh Ziai is a resource who should not be overlooked. She bothers Gordon Winkler with lots of visa requests and spends a lot of time building up her own image, but she has very good connections among Iran's intellectual community. Because that group is hard to "get a handle on" she is a valuable entré. She may well be debriefed by SAVAK, but then we must assume that most of our employees are, and in my experience the information she has at her fingertips is worth the risk of revealing our interest in this aspect of life in Iran. Her husband Ali is a Supreme Court judge from Mashad. Mokhadareh formerly ran the Student Center for USIS and has good contacts among both university students and professors.

POL:AMBolster:mp
cc: POL-Mr. Mills
POL-Mr. Bolster
POL-Mr. Stempel
POL-Mrs. Martin

Secret

ANNEX D

REPRESENTATIVE LIST OF INTERMEDIARIES
AND INFLUENCE PEDDLERS

AYADI, Abd-al-Karim (Lt. General)

General Ayadi, a Bahai, and the Shah's personal physician is a shareholder in numerous companies, such as the Pars Oil Company, and owns 15-40% of the shares of these firms. In some cases the shares are registered under variations of his name such as Abde Karim, Karim, or Iyadi.

General Ayadi holds an exclusive right to developing shrimp fishing in the Persian Gulf (See Annex A).

EQBAL, Khosrow

Khosrow Eqbal, a half-brother of Manuchehr Eqbal, Chairman of the NIOC, first came to the Embassy's attention as an influence-peddler in 1956, when, after more than a year of dealing, he finally consummated for a foreign company the sale of airplane hangers to the Imperial Iranian Army. He obtained a 10% fee of 2,000,000 rials of which he had to kick back 1,000,000 to the generals with whom he negotiated the deal.

In 1967, Khosrow Eqbal was active on behalf of Westinghouse and successfully used his influence with the National Petro-chemical Company, a subsidiary of the NIOC, to obtain sales to Bandar Shapour Petrochemical Plant. Since then he has been involved in a wide variety of transactions between various American and other foreign companies and

Mr. Eqbal serves as the legal advisor to the German consortium which consists variously of MANNESMANN, STAHLUNION, DEMAG, KRUPP, etc.

Secret

This group has been involved in such projects as a steel mill, the Tehran refinery, and the ICAT natural gas pipeline.

Khosrow Eqbal is directly concerned with the following companies:

MADON Commercial Corporation

HAMRAZ Law Firm & Economic Consultants (In 1965 he became Chairman of this firm)

FALLAH, Reza

Fallah is a long time member of the Iranian oil industry who began his career as a petroleum engineering student in England under an Anglo-Iranian Oil Company scholarship. As the second man in the NIOC, after Chairman and General Managing Director Manuchehr Eqbal, and as a close personal advisor to the Shah on oil matters, Fallah uses a network of associates from his former days in the oil industry who are now his subordinates in the NIOC to funnel opportunities for pay-offs and kick backs to him. He received pay-offs from IMEG during the preparation and execution of the IGAT pipeline and to the Embassy's certain knowledge has offered his services to whichever would pay the most of a group of foreign companies bidding for large NIOC construction contracts.

He has survived several drives to clean up corruption in the NIOC by deflecting disciplinary action to subordinates who were involved with him in corrupt practices.

KHATAMI, Mohammed Amir (Commanding General of the Imperial Iranian Air Force)

General Khatami was appointed the Commanding General of the IIAF, by the Shah, in 1957. Three years later the General married HRH Princess Fatemeh (The Shah's half-sister).

In 1964 General Khatami became President of the National Iranian Airlines Corporation. Four years later he became Chairman of the Board of Directors of the NIAC.

General Khatami owns Air Taxi, the only chartered air service in Iran that is permitted to operate. (A few attempts have been made to set up competing lines, but these have been gently discouraged.) General Khatami also is a co-owner of the DEY Construction Company, which builds all the housing for the IIAF radar sites.

MAHVI, Fath-Abdol

Mr. Mahvi, a distinguished-looking little man, who sports the rosette of the Order of Homayoun in his lapel, has been, or has appeared to be, close to the Shah ever since demonstrating loyalty to him in the Mossadeq era. He has performed a long list of special services to and has acted as a front-man for, numerous members of the Royal Family over the past 20 years. He is a close confidant of General Khatami, the Commanding General of the Imperial Iranian Air Force. In recent years he has tended to specialize in using his influence to obtain contracts for the sale of equipment and services to the Iranian military. Of all the names on the list in this annex, his is the most frequently mentioned with distaste by Iranians to members of the Embassy Economic Sec

MASHAHYEKH, Mehdi

Mr. Mashahyekh organized GUIDE Co., a firm described in the text of this airgram, for Prince Sharam of whom he has been a close friend for many years. Prince Sharam maintains an office in the Guide Co, building and it was in front of this building that the recent attempt to kidnap him was made.

Mr. Mashahyekh was a former employee of the Consortium until finally forced out by the accumulation of overpowering evidence that he had been taking pay-offs and kick backs from suppliers and bidders on contracts. In these activities he worked closely with Dr. Reza Fallah who sacrificed him in order to avoid embarrassment to himself when the Consortium insisted that Mashahyekh be removed.

REPORTER, Shapour (alias GEE, Ardeshihr)

Reporter is a Parsi from Bombay and has dual Indian and Iranian citizenship. Early in his career he was used in intelligence matters by the British Embassy who asked us to take him over as a political adviser to protect him when the British Embassy was closed from 1951-55. Since then he has developed a career as an influence salesman and commercial agent. He is closely connected with the Aghayan brothers, Felix and Shahin, and on occasion has used their access to the Court as well as his own. He was extensively used by IMEC in obtaining and expanding the IGAT contract. He is notorious for using his apparently impressive contacts and persuasive manner to obtain fees for the use of his influence without actually performing any services whatsoever. We strongly suspect that he did this when called in by Neill-Price as described in the main text.

ANNEX E

AMERICAN COMPANIES AND INFLUENCE PEDDLERS

The following large and well-known U.S. companies are, to the Embassy's certain knowledge, buying the influence of the persons listed with them. See Annex II for sketches of some of these persons. This list is illustrative, not exhaustive.

General Electric (Allison Engine) - Fath-Abdol Mahvi

Northrop Corporation - Fath-Abdol Mahvi

Boeing Aircraft Company - Fath-Abdol Mahvi

Cities Service - Khosrow Eqbal

McDonnell-Douglas Corporation - Fath-Abdol Mahvi

Radio Corporation of America - Reza Razmara

Neill-Price - Shahpour Reporter

(Extra copy)

Tehran, Iran

LIMITED OFFICIAL USE (N/A)

OFFICIAL-INFORMAL

March 15, 1977

Robert Beales, Esquire
Department of State
IRN/NEA
Washington, D. C.

Dear Bob:

In looking over the biographic file of a certain Iranian, I found reference to the following Embassy Tehran report: Tehran A-105 of June 20, 1972. Apparently Annex D of this report is a list of intermediaries and influence peddlers which intrigues me.

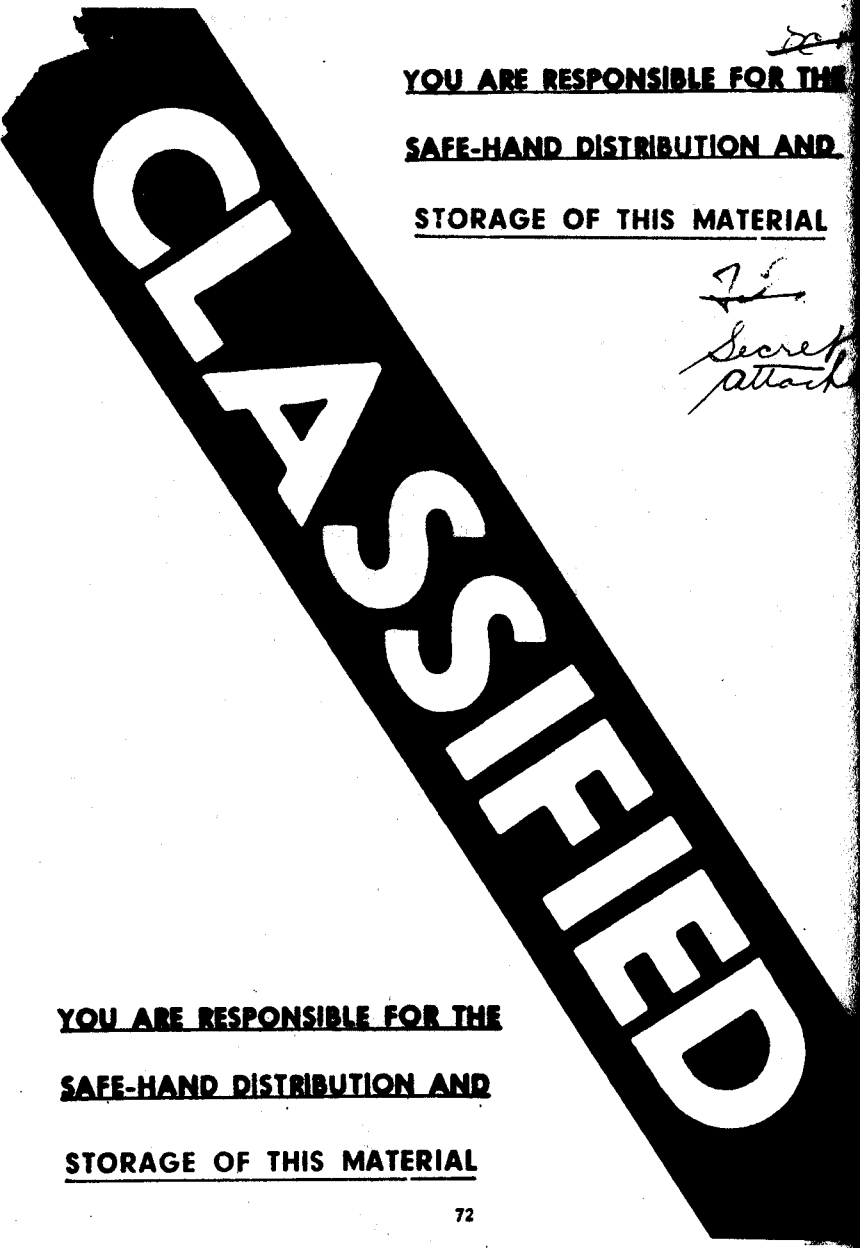
Would it be possible for you to get from the Department's central records establishment a copy of A-105 and send it to me.

Many thanks.

Best regards,

Roger C. Brewin
Counselor of Embassy for
Economic and Commercial Affairs

LIMITED OFFICIAL USE
(N/A)



YOU ARE RESPONSIBLE FOR THE

SAFE-HAND DISTRIBUTION AND

STORAGE OF THIS MATERIAL

YOU ARE RESPONSIBLE FOR THE

SAFE-HAND DISTRIBUTION AND

STORAGE OF THIS MATERIAL

DEPARTMENT OF STATE

TRANSMITTAL SLIP

SECRET

DATE 25 July '77

TO: Tehran — For the Attention of: R. Brewin

FROM: NEA/IRN — R.W. Beale

TO THE FOREIGN SERVICE	TO THE DEPARTMENT
[ ] For Transmittal to Addressee at the Discretion of Post	[ ] Dept. Information Only
[X] Post Information Only	[ ] CERP Publications
[ ] Transmit to Foreign Office	[ ] Enclosure to Previous Airgram
[ ] Submit Report	[ ] Reply to Department Request
[ ] Reply to the Individual	

[ ] Transmit to: (U.S. Agency)
[ ] Inform: ~~DOD~~/DEC/45/BUS/GW/file

REFERENCE

Brewin/Beale letter 15 March 77

ITEMS/REMARKS

There is no Annex D, as you will note. Sorry, but this seems to be the full airgram.

IN REPLY REFER TO FILE NUMBER AND DRAFTING OFFICE

FILE NO.	SIGNATURE R. Beale
CLASSIFICATION SECRET	OFFICE NEA/IRN

FORM DS-4 18-64

☆ U.S. GOVERNMENT PRINTING OFFICE : 1973—725-341/417 3-1

ORIGIN ACTION

Com-10

RM/R	REP	AF
	1	
ARA	EUR	FE
NEA	CU	INR
1		6
E	P	IO
4		
L	FBO	AID
3		15
	FTC	
	1	
AGR	COM	FRB
		3
INT	LAB	TAR
7		
TR	XMB	AIR
4	4	5
ARMY	CIA	NAVY
3	16	1
OSD	USIA	NSA
21		2

DEPARTMENT OF STATE

AIRGRAM

INCO 15

FOR RM

SECRET

A-105

HANDLING IN

RECEIVED DEPARTMENT OF STATE JUN 21 2 46 PM 72 RS/A ANALYSIS BRANCH

TO Department of State

INFO BORRAMSHAHR, TABRIZ

FROM AmEmbassy TEHRAN

DATE: JUN 20, 1972

SUBJECT: Corruption* in Iran - A Problem for American Companies

REF

SUMMARY

Practices considered corrupt in the West have been accepted and routinely practiced in Iran throughout its history. Changing attitudes on the part of technocrats and business, and sensitivi to the issue on the part of political leaders including the Shah, have produced a fluctuating and ambiguous situation in which corruption continues to be widely practiced and accepted, but is coming under increasing disapproval and efforts at reform. This airgram describes the problems which this situation presents to American companies doing business here. It concludes that in mo cases, corrupt practices are not necessary for American companie here. The Embassy is undertaking a program to encourage U.S. fi to avoid such practices and to help them with the various proble which this difficult and delicate issue creates.

* * * * * * * * * * *

American companies coming to Iran discover a bewildering array of informal, extra-legal methods of conducting their relations with the Government of Iran and even with other companies. Some of these methods are indispensable and are not really corrupt practices in the Iranian context. The line between necessary an acceptable methods, and unacceptable ones (unacceptable at least to some circles and groups in Iran), is indistinct and easily cr

*The word "corruption" is used here to describe a range of practices which would be considered corrupt in the U.S. As note repeatedly in this airgram many Iranians do not consider some or all of these practices corrupt.

SECRET

FOR DEPT

Ia

FORM DS-323 4-62

Drafted by: ECON:Washburn/Lenox/Mast:jm

Contents and Classification Approved by: DCM: Mr. Heck

Clearances:

POL Mr. Toussaint ECON Mr. Lehfeldt

Practices ranging from acceptable to unacceptable, in the Iranian context, are:

a) The Expediter -- He is almost always an employee of the company that uses him. He knows the lower and middle-level officials in the government offices which are important to the company and can get them to speed up decisions and paper work by the judicious use of gifts, flattery, and small gratuities. He is a familiar and entirely acceptable figure on the Iranian commercial scene.

b) The Advisor -- This person is usually on the regular payroll of the company which uses him and is often given an impressive office which he uses to conduct his own business, if any, as well as that of the company. He may be hired by the company for his connections and his intimate knowledge of the upper levels of Iranian society and government. If such an advisor has a good reputation for honesty and intelligence, he can be a great help to the company hiring him and create respect for it. Frequently, however, he is of no real help to the company -- which has given him a job at the request of a department of the Iranian Government important to the company. This department has in turn been asked by his politically influential family or sponsors to find a place for him. The National Iranian Oil Company has placed several such persons with American oil companies and the Consortium. American companies often provide their active advisors with generous budgets for "public relations." Some of these are used for legitimate entertainment and other expenses, but others are clearly intended to supply funds for pay-offs. These pay-offs are often left to the sole judgment of the advisor, so that the company can claim that it is entirely ignorant of any pay-offs on its behalf.

c) Influence Peddlers -- These fixers sell their access to high Iranian social and political circles. The leading influence peddlers claim close ties to ministers and the members of the

Royal Family, including the Court Minister, Mr. Alam, and the Shah himself. Some American companies have found that certain influence-peddlers actually do have such ties and regularly deliver on their promises to put over major contracts or secure important business. In many cases, American companies will promise a percentage of sales on such business to the influence-peddler and claim that he is a legitimate agent.

d) Pay-Offs -- These are large payments, usually given to achieve a specific purpose and as such must be distinguished from the small gratuities given by an expediter to his contacts or a tip given to a customs man to expedite clearance, or to a secretary to remind her boss that a visitor is waiting. Pay-offs are dangerous because they are the particular target of the periodic reform drives which take place within the Iranian Government, and because, in connection with such drives and otherwise, they provide opportunities to the enemies and rivals of the official to which the paying company has tied itself. A company may also find itself forced to make further pay-offs to avoid disclosure of the first one, or discover that the first official paid off is only the first link in a long chain of officials who also must be bribed in order to achieve the purpose intended.

We consider that the use of influence-peddlers and pay-offs, although extremely widespread throughout the upper levels of Iranian society, is nonetheless, as described in the Annex, disapproved to such an extent by an increasingly large and influential group of Iranians as to justify raising a warning that these practices can be acutely dangerous to the American company using them and contrary to more general American interests in Iran. Moreover, this disapproval, toge with heightened sensitivity to the dangers of corruption on the part the political leadership, is likely to lead to periodic reform drives in which foreign companies will be particularly vulnerable. One such anti-corruption effort initiated by the Prime Minister has just run i course. For political reasons, one of its main targets was foreign companies and their Iranian intermediaries. In focussing on individu in this way, it retained a common characteristic of previous reform

attempts as described in the Annex. The manner in which the Prime Minister's drive on corruption began and ended makes it clear that there will almost certainly be more such attempts.

At the same time we must acknowledge that circumstances in Iran can make the temptation to use intermediaries and bribes almost overpowering. Such circumstances also have usually been created by corruption, a cause and effect sequence which is itself a good example of the snowballing inefficiency and waste corruption causes. The Embassy has had a particularly clear example of this in the difficulties encountered by the Iranian affiliate of Dresser-Magcobar, Inc., an important U.S. manufacturer of drilling muds. At the end of a long and complicated chain of events, Dresser-Magcobar found itself confronted with a demand by Dr. Farokh Najmabadi, Principal Undersecretary of the Ministry of Economy, that it share its barite business with its principal Iranian competitor, the Iran Barite Company, or be forbidden to expatriate its profits derived from barite and to export barite to its parent company's mill in Kuwait. Dr. Najmabadi is known to have close connections with Mr. Ashgar Pairavi, principal active owner and Managing Director of Iran Barite, of which Prince Shahram is a silent part owner. In this particular case, Dresser-Magcobar's manager, although sorely tempted, refused to resort to influence peddlers or pay-offs and accepted the demand.

Another example has been the major scandal created by the American construction company, Neill-Price. In the course of a long, slow, and difficult start in Iran, Neill-Price became convinced that its competitors had, by purchased influence and pay-offs, succeeded in getting the National Iranian Oil Company to cancel a letter of intent to Neill-Price for the construction of a pipeline. Accordingly, it hired Shahpour Reporter, a well-known influence peddler, to assist it. In fact, the cancellation was at the direct order of the Prime Minister's office in the course of the recent drive on corruption already mentioned. Finally, after frantic efforts of its own and Embassy assistance, Neill-Price succeeded in reversing this cancellation, but only by offering to do the project almost at cost. At the same time, the Prime Minister used Reporter's involvement among other reasons as proof that the original deal must have been dishonest. From this position of strength he was able to force NIOC Chairman Manuchehr Eqbal, in return for permission to accept the new Neill-Price offer, to purge all

those within the NIOC in any way involved in its negotiations with Neill-Price. This has caused the discharge or precipitate resignation of some 39 officials, most of whom now have the knife out for Neill-Price. The Embassy has no evidence whatever of any actual wrong-doing by Neill-Price, but the company made itself more vulnerable in an already difficult situation by hiring a notorious influence-peddler.

In some cases, American companies may find it very difficult to avoid having an influence-peddler forced on them, particularly if he first appears in another guise. Confusion over the status of high-level influence peddlers is easy, particularly for a company newly-established in Iran, since these men do move in high circles, appear to enjoy the friendship and patronage of important personages, hold directorships in other Iranian or joint-venture businesses, and frequently operate more or less legitimate agency, brokerage or commission businesses of their own. The clearest example known to the Embassy of this set of problems is the experience of the Iran Pan American Oil Company with Mr. Fath-Abdol Mahvi. Mr. Mahvi was recommended to IPAC as an advisor when the concession agreement between the two companies was being negotiated in 1958. IPAC found Mr. Mahvi so helpful that after the signing of the agreement he was made, and for several years thereafter continued to be, a member of the IPAC's Board of Directors. In 1965 IPAC brought in its first well and a complicated dispute deriving from an ill-drafted contract began with the NIOC over taxes and pricing. Mr. Mahvi, although by then no longer a director, let it be known that he was using his influence on IPAC's behalf and was hired by IPAC as an "advisor." In 1970, when the dispute had already created considerable friction between IPAC and the NIOC, Mr. Fuad Rouhani, an eminent Iranian expert in petroleum law who enjoys a high reputation for honesty, reportedly told Dr. Eqbal, the Chairman of NIOC, that Mahvi had tried to bribe Rouhani to rule in IPAC's favor on a point which both sides had agreed to submit to him for decision. Eqbal had a strong personal dislike for the AMOCO representative in Tehran at that time and also was looking for a way out of an unwisely rigid position which he had taken on the issue which Rouhani was to decide. Both of these impulses may have moved Eqbal to exaggerate whatever Rouhani actually told him, or Mahvi may have been playing a complicated double game. In any case, Mahvi's identification with IPAC made it possible for Eqbal to carry out his wish to have the AMOCO representative replaced and to reopen the issue which Rouhani would otherwise probably have resolved in IPAC's favor. Although subsequent AMOCO representatives in Tehran have tried hard to confine Mahvi to the role of an internal advisor only, and to convince the NIOC and others that Mahvi has no authority to represent IPAC on any matter, these efforts have not been wholly successful.

As the above examples partly indicate, American companies are most likely to use fixers and pay-offs when they are in very competitive fields, are playing for high stakes (e.g. large construction contracts), believe that the Iranian government organization or business with which they are dealing is thoroughly corrupt anyway, are under high pressure from their home offices to conclude a deal or land a contract faster than the Iranian system normally permits, or are confused and bewildered by Iran and Iranians. Any one of these factors, or a combination of them is often enough to push the representative of an American company into using pay-offs and influence peddlers. However, the least necessary and most common cause, one that supports many of the factors listed above, is the bland and general assumption that bribery and the use of paid influence is the only way successfully to do business in Iran. Newcomers here all too often blindly accept this generalization without investigation.

We think that this assumption is emphatically not true, particularly for American companies. Companies like Santa Fe-Pomeroy, Reading and [illegible]es, Continental Oil, Ledeen Valve Company, and many more have demonstrated that fixers and pay-offs are not necessary for profitable operations in Iran, even in highly competitive and government-dominated businesses such as construction and oil field equipment. These companies know that there is a technique for using "the Iranian way" without resorting to corrupt methods. The representatives of these companies have carefully studied the Iranian bureaus and businesses with which they deal and they know how these organizations work. They understand both the formal and the informal methods by which power is exercised in these bodies. They know that an apparently insignificant individual may hold the key to decisions and the fast completion of paperwork, and that all it may take to cultivate him is regular social contacts, flattery and a bottle of Scotch at No Ruz. In short, these companies understand that legwork, study of the Iranian scene, and alertness usually, if not always, make bribes and fixers unnecessary. This real adaptation to Iranian realities, as opposed to pseudo-cynical generalizations about universal Iranian corruption, is not only profitable and effective, it creates great respect among Iranians for the company achieving it.

The question cannot, however, be left entirely on this positive note. There have been, and will be times when a very senior official of the

Iranian Government (Reza Fallah of the NIOC is a prime example) will promise, and deliver, large contracts or other important business to the company offering him the biggest pay-off. In such cases, more often than not, it is not dangerous in the short-run for an American company to pay the bribe and get the business. The long term risks may be high, because of resentment against the company by other officials who inevitably will know what has happened, and because the company may go down with the bribed official if his fortunes change.

However, an American company with high overhead and low capitalization, such as a construction firm, may judge these contingent risks less important than the chance to land work worth many millions of dollars.

We have considerable sympathy for such companies in this specific situation. It is hard to feel the same sympathy for the American representatives of major U.S. companies with world-famous brand names who make lavish use of influence peddlers and fixers. We believe that no major American company needs to do this. Iranians are particularly ready to "buy the brand-name" even if the price is a little higher. They are also very susceptible to the aura of prestige and power which accompanies great American business names, an aura which is seriously damaged, if not destroyed, when the name is linked to a notorious fixer, no matter how warmly he may be received in high quarters. With these assets, an alert and able representative of such a company has no need of paid influence.

Representatives of major U.S. companies who use fixers often tell us that the Iranian Government and its administration are so complicated, devious, and internally inconsistent, particularly in connection with the huge and specialized projects or sales in question (communications networks, regional agro-business, military sales), and so many unexpected persons are involved, that the use of an intermediary with influence and intimate knowledge is essential. Informed understanding of those complexities is indeed important, but this can be provided by using a competent advisor, openly on the payroll, who knows the ropes, much as the Embassy uses the senior Iranians in its political and economic sections. With the resources and prestige of a great international company behind him, this advice should be enough for an able and energetic representative to do the job.

ACTION RECOMMENDED

The Embassy proposes the following steps:

1. The Embassy will improve and keep current its information on influence-peddlers, particularly those having or claiming access to upper levels of Iranian society and government, and on senior Iranian officials known to have solicited or to expect pay-offs.

2. The Embassy will encourage U.S. companies to check with us on individuals they are considering hiring as agents or representatives, especially if the person in question is being used for his "local knowledge" or "connections" rather than his technical understanding of the product or service. If the person is a known fixer, we will discourage the company from using him.

3. U.S. companies will be urged to come to the Embassy for help if they find themselves in tight situations for which a bribe or paid influence seem to be the only solutions. The Embassy will do its utmost to help such companies either through formal representations or otherwise. We already have a good record of providing such help, especially on tax cases, when the companies let us know in time.

4. Briefings given in the Embassy, State and Commerce to American companies considering Iran for the first time should emphasize that fixers and pay-offs are almost always unnecessary to doing profitable business in Iran if the company representative here is able, sensitive to cultural and other differences, and energetic. Such companies should be informed of the Embassy's services recommended in points 1, 2 and 3 above and urged to use them. All companies should also be told that the Embassy, State and other relevant branches of the USG take a particularly severe view of companies using corrupt practices in connection with projects or business supported by financing or assistance from the Export-Import Bank, the World Bank, and FMS/MAP.

5. Selected GOI officials and the Shah should be made aware discreetly that the Embassy discourages corrupt practices by American firms and wants information about such practices. When such information is provided, the Embassy should check it independently through its own resources, including CAS. If the information is confirmed, the Embassy should warn the company concerned, explaining the dangers of such activity. If the project or business concerned involves Ex-Im, World Bank or FMS/MAP, the Embassy should take advantage of the opportunity for extra pressure on the company thus provided.

FARLAND

Attachment:
Annex - Corruption In Iran - Backgrc ...

ANNEX

CORRUPTION IN IRAN: BACKGROUND

Corruption, nepotism and malfeasance among official political and economic elites is not a new problem in Iran. From the days of Daniel, the honest adviser to King Darius, who was maneuvered into the lions' den by his rivals because of his strong beliefs and refusal to deceive the King, to the rule of the Qajars who sold Iranian Government administrative functions to foreign powers in return for paltry personal loans, and right up to the present day, corruption has been a familiar and important part of Iranian life.

The institutional framework within which corruption in business and government has most flourished has been one of highly centralized authority culminating in the person of the ruling monarch himself. Staffing the Court positions and the government bureaucracy is a political elite who derive their power and legitimacy solely and directly from the monarch himself. Since absolute monarchy is rule by fiat rather than rule by law, as understood in the West, law in Iran has historically been the instrument of the monarch and of the ruling elite, defined by their conception of what is good for society. This view of law as ultimately being what the monarchy says it is, rather than as a codification of the society's will administered by an independent judiciary, traditionally has given rise in Iran to rule and administration by negotiation. Powerful landlords, merchants, and industrialists have found it an advantage and frequently an absolute necessity to bargin with often venal administrators who were restrained not by law, but only by the monarch's will. This concept has, over time, made all law suspect, to be evaded whenever possible. Thus, business still bargains with the tax authorities about laws and rates that ostensibly apply equally to all, industrialists still intrigue for government grants which are supposed to be allocated on the basis of rational economic planning, and contractors and suppliers negotiate with government ministries over contracts that are by law to be granted strictly by competitive bidding.

The highly-centralized nature of traditional and contemporary Iranian politics has meant that corruption has usually been accepted, and often

apparently promoted, by the Royal Court and the political elite which administers the central government. This results from the fact that regardless of the wealth and social standing of a landlord, the cunning and business acumen of a merchant, or the power of a large industrialist, it is not law, but political authority, that provides status and security for all classes in Iranian society. In the past, a landlord protecting his economic interests in the provinces from arbitrary confiscation by the Court or from local bureaucrats found it necessary to ally himself with the political elite in the capital. This alliance leading to political security was obtained by bribery or by becoming a high official himself or by having a relative who was a high official. Modern commercial enterpris still find it necessary to maintain the goodwill of the political elite in the same traditional way. Through the higher bureaucracy's control of commercial credit and marketing, import and export licenses and tax investigations, it is able to force wealthy businessmen into paying for whatever security and privileges may be offered to them.

Although industrialists as a class in Iran are often regarded with suspici by the higher political bureaucrats, there is a natural alliance between them. Large industrialists realize that such an alliance is necessary to ensure sufficient investment capital, government protection, government purchases of over-production, and a share in foreign investment and techni assistance. They therefore "encourage" investments by members of the top echelon of the political authority including the Royal Court itself, in return for political protection of their business interests, and in some instances for social acceptance as well.

Throughout its modern history Iran, like many other developing countries, has had in times of both prosperity and poverty, an excessively large and idel bureaucracy. These underpaid and underworked officials saw their jobs as opportunities to make money. In a culture which did not hold West standards of administration and business ethics, this attitude and busines men's acceptance of it was natural and normal. This situation had not changed greatly when Iran's economic boom arrived in the late 1950's. Suc the old relationships became the vehicles of much larger sums of money; instead of permits and licenses, the bureaucrats were now awarding, and the businessmen vying for, contracts worth millions of dollars.

Although Iranian society has this long history of acceptance of, and accommodation to, corrupt practices, it also found ways to reform itself when corruption becomes too great a problem. Two of the most pronounced characteristics of centralized government in Iran are the tight control of all real power at the very top, largely by the Shah himself, and the freedom which most of his officials feel from constraints arising from regional loyalties. These factors encourage large-scale corruption, as already noted, but they also give those who hold power the ability to crack down hard, quickly, and effectively on corruption if they wish. However, in other ways the nature of absolute monarchy and rule by political elite has limited reform efforts to attacks on certain corrupt individuals, not on institutions. It has usually been argued that social change and reform must be limited in order to avoid undermining the institutions and values which support Iranian political authority since direct attacks on this political authority would inevitably lead to social chaos. It is further claimed that reform and change must itself be directed by the political authority since reform instituted by an impatient people themselves could not remain within the limits of change necessitated by a proper appreciation of the meaning of reform within a particular society at a particular moment in history, that is, by the need for stability. Changes in dynasty and changes of vizier or prime minister have usually meant an anti-corruption campaign directed at predecessors. The newcomers hope that this purge of individuals will establish their purity and discredit their predecessors. Furthermore, since the political corruption of the old regime is always claimed to have been the source of social evil, the elimination of allegedly corrupt individuals also implies the elimination of inefficiency and procrastination in government, and, the new regime hopes, the elimination of the popular discontent that may have arisen against the political elite itself and the entire institutionized social structure. In addition, whenever the political apparatus appears to be bogging down with inefficiency, this inefficiency is also blamed on corrupt individuals.

This emphasis on corruption as a matter of individuals, not of the system, has produced a cynical popular Iranian view of the system: inefficiency and procrastination in the political apparatus usually indicates corruption; but efficiency and speed in decision making usually means corruption also, since this must mean that the machinery of government decision-making has been lubricated.

It now appears that there is growing impatience with the traditional function of corruption in Iranian politics and business. While this may not strike at the institutional roots of the monarchy and the centralized political elite, it also appears that these strong but unformed desires for reform and change are directed at more than the discipline of individuals which constituted reform in the past. The present urge for reform does not in most cases spring from moral attitudes though there is some of this. Rather these stirrings seem to come from a modern, well-educated (often Western-educated) economic and technocratic elite which is the product of the economic boom already mentioned and which perceives a system which functions through corruption in many important ways as the very antithesis of a modernizing, rapidly industrializing society. The $500,000 bribe to ensure that one's own company builds a project is seen as economically wasteful, since the bribe itself, and the machinations accompanying it which are also necessary to get the contract, will insure that the project may cost much more than was economically necessary and will take much longer to start. This waste of time and economic resources not only means that the siphoned-off funds are not available for other worthwile projects, but may mean that the original project itself may not be completed or will not be suitable for the purpose for which it was designed.

Many of the technocratic and economic elite are strong supporters, in theory at least, of an idealized strong monarchy in Iran. Democracy and the right of a people to rule themselves are not strong, viable ideas to most of the men who comprise the economic and political establishment in Iran. The lack of a democratic tradition and what is often seen as the libertarian, anarchistic excesses of Western democracy, plus the technocratic frame of mind of an elite accustomed to economic planning on a national scale, seem to lead inevitably to the acceptance of a strong monarchy as a necessary institution in Iranian society.

This predisposition towards monarchy, or at least rule by a strong centralized elite, has been an enormous boon to Iranian rulers over the past quarter of a century. The excesses of the system, the corruption which often reaches the Court itself, and the need for a complete subservience to the dictates of an authoritarian monarch have been excused on the grounds of national interest. The post-war Azerbaijan crisis, the Mossadeq episode, the short depression of the early 60s, the need for land

reform and the rapid economic development of the last 5-6 years have all mitigated criticism and reform of the basic institutional underpinnings of Iranian society. Furthermore, authoritarian, centralized government is recognized as having the potential for swift and effective action against corruption already described. Thus, for the vast majority of Iranians, pessimistic, cynical, and suspicious by nature, it has seemed foolish to attempt to initiate basic reforms of a system which has great strength and which has brought them through a series of crises and setbacks.

Ironically, perhaps, the very economic successes of the past few years appear now to be creating doubt about the efficacy of the system. An economic and technological elite which in theory accepts the need for a strong single leader in the Iranian tradition, also accepts Western scientific-rational-technological goals of economic efficiency and competence. Often goals and projects that have been studied and simulated by the best of computer technology must then be haggled over and sold to influence peddlers who sometimes seem to have more of the Shah's ear than does the technological elite itself. Furthermore, as already noted, the very successes of the economic system have raised the price exacted by influence and corruption. The merchant or industrialist of 20 years ago who could purchase import licenses for a reasonable sum or gave relatively inconsequential bribes to public officials, now finds it necessary to give a member of the Royal Family a 10-40% share of his business and perhaps a seat on the Board of Directors.

The traditional system is also often personally offensive and disadvantageous to the new technocrats. Advancement and promotion in the government and business depend much more on an informal system of influence through friends and relatives than on the ability of the individual. The lack of creativity and originality in economic decision-making often results from a stifling atmosphere at the top of economic and political institutions where a glib tongue, flattery, and obsequiousness toward superiors rather than intellectual integrity and solid economic ideas receive rewards which appear disproportionate to ability. Again this is not a matter of morality, but an affront to a legitimate pride in abilities tested and proved over odds and against the more objective standards of education and employment in the United States and Europe.

In this connection, the long-standing direct involvement of the Royal Family in business, and recent business annoyance over some of the excesses resulting from the 2500th year of the Iranian Monarchy Celebrat have led to resentment, if not of the Shah himself, of particular member of his family and the Royal Court.

The modern men are particularly annoyed and concerned by the constraints on the use of national resources and the formation of capital which influence and favoritism create. An example of this is the Shah's personal grant of a monopoly of Persian Gulf shrimp fishing to General Ayadi. Not unnaturally, General Ayadi, who has no business experience, has seen this prerogative as in effect a gift of money, rather than as a business in which heavy capital investment and good management are important. The result has been that General Ayadi has delayed for sever years in developing his monopoly while looking for a way to make quick money out of it with no investment. During this time, much to the chagrin of Iranians in the know, Japanese and Russian deep sea-fishing vessels caught thousands of tons of premium price shrimp just off the Iranian coast. Although recently the Shah has finally prodded General Ayadi int buying some modern fishing ships and training crews for them, for several years to come Japan and the USSR will remain the chief beneficiaries of Iran's shrimp resources.

Yet another example is Guide Company which is owned jointly by Prince Shahram and Dr. Mehdi Mashayek. Through Prince Shahram's influence, thi company has a monopoly on the operation of bonded warehouses. The availability of bonded warehouses is essential to the development of full Iranian oil service and equipment companies here, an achievement which is a prime goal of the NIOC. Because oil equipment -- bits, downhole tools, etc. -- is usually needed quickly and by customers who enjoy exemption from customs duty, it is to the advantage of an oil field supplier to hav his product immediately at hand without having to pay customs duties on them. Foreign suppliers can maintain inventories in nearby countries and fly them in, Iranians cannot. Unfortunately, Prince Shahram and Mashayek have apparently chosen to seek a high immediate cash return rather than steady long-term profits, so Guide Co. charges very high rate for use of its bonded warehouses. Also, because the partners have so many other enterprises, their management of Guide Co. is poor (Baker

Tool Company, an American firm which was formerly a third partner, sold its interest when it could not improve the management), particularly in handling customs formalities for their clients. The result is that the big warehouses at Bushire and Ahwaz are empty except for small inventories maintained by foreign companies who want to give their customers maximum speed and can draw a few items at a time from their larger supplies elsewhere in the Gulf. At the same time, no other firm can obtain a bonded warehouse license because of Prince Shahram's influence.

The outlook for the future is a continuing growth of the new technocratic and business class in Iran which disapproves of corruption as wasteful and inefficient and a long, very slow retreat of traditional practices in the face of this disapproval. As this evolution unfolds, more sporadic reforms of the kind described in the main text of this airgram are likely, but whether these will be effectively directed at institutions and institutionalized practices, or futilely at individuals as in the past, depends upon changes in the political system which directs Iran's economy and development.